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CIS

VETERANS EMPLOYMENT PROGRAMS ADMINISTERED BY THE DEPARTMENT OF LABOR

HEARINGS

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

SECOND SESSION

MAY 4, 1982, AND JUNE 22, 1982

Printed for the use of the Committee on Veterans' Affairs

Serial No. 97-65

U.S. GOVERNMENT PRINTING OFFICE

96-588 O WASHINGTON: 1982

HV761-36

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VETERANS' EMPLOYMENT PROGRAMS ADMINISTERED BY THE DEPARTMENT OF LABOR

TUESDAY, MAY 4, 1982

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:03 a.m., in room 334, Cannon House Office Building, Hon. Robert W. Edgar, chairman of the subcommittee, presiding.

OPENING STATEMENT OF CHAIRMAN EDGAR

Mr. EDGAR. The Subcommittee on Education, Training and Employment will come to order.

We welcome everyone here this morning. I would like to read an opening statement, but first comment on the absence of two departments of the Federal Government that were given an opportunity to testify this morning. It is a great disappointment on my part and on the number of Members and staff who are concerned about the lack of agreement and participation by the Department of Labor and the Department of Defense in these important hearings.

We do have some very competent witnesses who have taken the time to go through the two pieces of legislation and have analyzed from their point of view their individual concerns. We look forward to their testimony this morning. So if there is a level of crankiness, it is not directed at those who are here. As a former minister, I have learned not to be cranky with those who show up because there are many who do not show up.

Our hearing this morning is scheduled to review a discussion draft of legislation designed to improve and tighten existing employment programs for veterans. We meet today with some urgency as 750,000 Vietnam-era veterans, more than at any time since the end of the war, are currently seeking employment. The statistics show with even more significance that in every age group current unemployment rates among these Vietnam veterans surpass the rates for their nonveteran peers.

During the 96th Congress, we made significant progress in the area of veterans' employment with the enactment of Public Law 96-466. Among other provision, the new law made permanent the disabled veterans' outreach program [DVOP] and created a new position of Assistant Secretary of Labor for Veterans' Employment as the chief advocate and administrator of veterans' employment programs within the Department of Labor.

Still, recent program and budget cuts, coupled with chronic ambiguity in the law continued to plague the delivery of veterans' employment services, a responsibility shared by the Federal and State governments.

This subcommittee has invested considerable time over the years in identifying these problems. The language in the draft proposal today is aimed at correcting this situation in calling for the full implementation of the spirit and the letter of title 38, United States Code and Public Law 96-466.

As drafted, the proposed legislation would accomplish three basic objectives. The bill would amend and tighten existing language in title 38, United States Code with regard to the operation and administration of the veterans' employment programs. The language would clearly state that veterans' employment is a national responsibility and consolidated various administrative functions within the Department of Labor under the jurisdiction of the Assistant Secretary of Labor for Veterans' Employment.

Second, the bill is designed to correct, once and for all, funding levels for support for the Veterans' Employment Service by specifying line item funding for the implementation of disabled veterans' outreach program and local veterans' employment representatives.

Such funds should be separate and in addition to funds for the Employment Service. With the proper assistance of the Appropriations Committees, this provision will solve the chronic problem of underfunding this program. It will also give the Assistant Secretary of Labor for Veterans' Employment more responsibility in seeing that these programs are fully implemented by the States, and that personnel hired have the proper qualifications.

Third, the discussion addresses the need for a new employment and training program for veterans through a national employment assistance program. This section is not a real departure from previous existing programs of grants which have been so severely decimated during the past year.

The program is designed to augment rather than duplicate or replace existing traditional services within the Employment Service. It will also accompany language recently introduced by Congressman Austin Murphy from Pennsylvania in the House Education and Labor Committee's markup of legislation for a new national employment and training program. The draft calls for a set-aside of 5 percent of the funds allocated to the States for grants to support community-based job counseling, placement, and referral services.

Noting the continuing special readjustment needs of Vietnam-era veterans, we feel this provision is necessary to assist, but not replace, existing programs.

As I stated, this draft was drawn up for discussion purposes only, and we are eager to hear your comments and suggestions as to how we can develop the final legislation, which we will introduce shortly.

The reason these hearings are so timely on both of these pieces of legislation are that the May 15 deadline puts some pressure on us for bills that have some funding authorization. We have asked different departments of the Congress to give us their indication as to what the cost factors will be.

Both the Department of Defense and the Department of Labor were invited to testify this morning. Unfortunately, because of time restraints and because a final bill was not officially introduced in the area of employment, the Department of Labor decided it could not testify at this time.

I can understand their reasons for not testifying at this time on that subject, and we look forward to working with them and hearing a full report on the proposed draft bill at a later date. However, both Federal agencies were scheduled to testify on another matter, which will be included in legislation as reported by our subcommittee.

Congressman Montgomery late last year introduced H.R. 5209, which would amend from 90 days to 12 months the protected period under which those in the Reserve or National Guard could report for duty and still be protected under veterans' reemployment rights over a 3-year period.

Both Secretary Weinberger and Secretary Donovan were notified of this legislation by letter on December 21, 1981. I ask unanimous consent that that letter and following letters be placed in this record at this point to indicate the time, the date, and the content of those letters which we had hoped we would get some response from.

[The letters referred to follow:]

DECEMBER 21, 1981.

Hon. CASPAR W. WEINBERGER,
Secretary of Defense, The Pentagon,
Washington, D.C.

DEAR MR. SECRETARY: Enclosed is a copy of H.R. 5209, to amend title 38, United States Code, to provide that the period for which an employer is required to grant an employee who is a member of the National Guard or Reserves a leave of absence in order to allow the employee to perform required active duty for training is any period of up to twelve consecutive months.

The Committee would appreciate having the official views of the Department of Defense on this measure, including an estimate of the cost, as soon as possible.

Sincerely,

G. V. (SONNY) MONTGOMERY,
Chairman.

DECEMBER 21, 1981.

Hon. RAYMOND J. DONOVAN,
Secretary of Labor,
Washington, D.C.

DEAR MR. SECRETARY: Enclosed is a copy of H.R. 5209, to amend title 38, United States Code, to provide that the period for which an employer is required to grant an employee who is a member of the National Guard or Reserves a leave of absence in order to allow the employee to perform required active duty for training is any period of up to twelve consecutive months.

The Committee would appreciate having the official views of the Department of Labor on this measure, including an estimate of the cost, as soon as possible.

Sincerely,

G. V. (SONNY) MONTGOMERY,
Chairman.

We requested both agencies to submit their official views on this measure, including an estimate of cost, as soon as possible. That was 4 months ago. We have since received no official communication from either the Department of Defense or the Department of Labor on this subject.

The Department of Labor has since refused to testify on this matter. The Department of Defense was planning to testify, they sent over their testimony last Friday, but at 5 o'clock last night, they notified the committee that they would not appear. They also requested that their testimony, which had already been prepared, and already been delivered, and already circulated to all of the members of this committee, be withdrawn.

Evidently neither agency could come to an agreement on this bill, and the Office of Management and Budget and the White House refused to let them testify.

I am sorry that both agencies are not here today to testify, but I am equally disturbed that the present administration is finding it hard, if not impossible, to get two of its agencies to agree on a matter of policy as simple as this over a 4-month period.

Before I call on the first witness to testify on Chairman Montgomery's bill, I would like to place in the record all of the correspondence that we have and the unofficial Department of Defense testimony stating their position on the bill and their support for its intent.

[The material referred to follows:]

APRIL 22, 1982.

Hon. WILLIAM C. PLOWDEN, Jr.,
Assistant Secretary of Labor for Veterans Employment,
U.S. Department of Labor, Washington, D.C.

DEAR MR. PLOWDEN: The Subcommittee on Education, Training and Employment will hold a hearing on Tuesday, May 4, 1982, at 9:00 a.m. in Room 334 Cannon House Office Building.

As you know, on February 2, 1982, this subcommittee held an oversight hearing on programs relating to veterans as authorized in chapters 41, 42 and 43 of Title 38, U.S. Code, and other programs coming within the responsibility of the Assistant Secretary of Labor for Veterans Employment.

In response to recommendations presented at that hearing, a bill has now been drafted, a copy of which is enclosed, to improve and strengthen the services provided to veterans through the Department of Labor.

Also being considered will be H.R. 5209, a bill to provide that the period for which an employer is required to grant an employee who is a member of the National Guard or Reserves a leave of absence in order to allow the employee to perform required active duty for training is any period of up to twelve consecutive months.

This is to invite you to present your views on these proposals at the May 4th hearing. The rules of the Committee require that 75 copies of your testimony be provided to the Committee Clerk at least 48 hours in advance of the scheduled hearing; or if you desire to submit testimony for the record, three copies of your testimony are required.

Sincerely,

BOB EDGAR,
Chairman, Subcommittee on
Education, Training and Employment.

APRIL 22, 1982.

Hon. EDWARD J. PHILBIN,
Deputy Assistant Secretary of Defense for Reserve Affairs,
The Pentagon, Washington, D.C.

DEAR MR. PHILBIN: On December 14, 1981, the Honorable G. V. (Sonny) Montgomery, Chairman of the Veterans' Affairs Committee, introduced H.R. 5209, a bill to provide that the period for which an employer is required to grant an employee who is a member of the National Guard or Reserves a leave of absence in order to allow the employee to perform required active duty for training is any period of up to twelve consecutive months.

This is to invite you to present your views on this proposal at a hearing to be held by the Subcommittee on Education, Training and Employment on Tuesday, May 4, 1982, in Room 334 Cannon House Office Building at 9 a.m.

The rules of the Committee require that 75 copies of your testimony be furnished to the Committee Clerk at least 48 hours in advance of the scheduled hearing; or if you desire to submit testimony for the record, three copies of your testimony are required.

Sincerely,

BOB EDGAR,
Chairman, Subcommittee on
Education, Training and Employment.

U.S. DEPARTMENT OF LABOR,
LABOR-MANAGEMENT SERVICES ADMINISTRATION,
OFFICE OF VETERANS' REEMPLOYMENT RIGHTS,
Washington D.C., January 19,1982.

Mr. EDWARD J. PHILBIN,
Deputy Assistant Secretary (Reserve Affairs),
Department of Defense, Washington, D.C.

DEAR MR. PHILBIN: Thank you for your letter of January 7, 1982 and the kind words concerning our efforts on behalf of Reserve and Guard members under the Veterans' Reemployment Rights (VRR) Statute.

Since our December 22 meeting, our Agency has had an opportunity to further examine the question as to what should be the extent (length) of protection for members of Reserve components absent from civilian employment to perform active duty for training. We are referring here, of course, to tours of training duty other than weekend drills, two-week summer encampment, and initial active duty for training, all three of which are clearly protected under the Act.

As I noted in our meeting, of paramount concern is that it appears that for too long there has existed unfettered use of abuse of protection accorded under reemployment law by Reservists who appear to enjoy license to obtain training duty orders almost at will. Our best estimate tells us that this has occurred largely because the Government has never updated policy in this regard, nor has it adequately policed the issuance of training orders by unit commanders. We find this situation disruptive of a central aim of the statute, which is to foster industrial relations in general and, in particular, to encourage a sense of equity and balance between and employee's full-time obligation to his employer and what was envisioned as a part-time commitment to the Reserves.

Our Agency sincerely believes that we cannot continue to allow this imbalance and uncertainty which exists in respect to Section 2024 of the Act. As the head of this Program it falls upon me to inform you that, as a matter of Agency policy, our position heneforth will be that the extent of protection for Reservists on active duty for training is not more than 90 calendar days.

In view of the above, we see no need to proceed with the proposed task force described in your letter, and we are withdrawing our request for assignment of a JAG Officer to assist in my office.

If you wish discussion on this matter, Mr. Hugh Riley, Executive Assistant to the Deputy Assistant Secretary, will be glad to confer with you on the matter.

Sincerely yours,

GEORGE O. GONZALEZ, *Director.*

PREPARED STATEMENT OF DENNIS R. SHAW, PRINCIPAL DIRECTOR TO THE DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS, DEPARTMENT OF DEFENSE

[NOTE.—This statement was submitted in advance to the subcommittee, as required by the rules of the committee. In the meantime, however, DOD was unable to obtain administrative approval of the policy expressed therein, and requested the statement be withdrawn since it could not be presented to the committee. The statement appears therefore, as the DOD position as recommended to the administration (OMB) for which approval was not obtained in time for the hearing.]

Mr. Chairman, Members of the Committee; I thank you for giving me this opportunity to testify before you today on the subject of reemployment rights for Guard and Reserve members who are involved in certain categories of active duty for training. A recent policy decision by the Department of Labor makes this subject

one of special importance to members of the Reserve Components. The legal aspects of the Department of Labor Policy are significant and I will return to them later in my testimony. However, I would first like to address the justification for the reemployment right, the circumstance under which it might be envoked and the magnitude of the problem.

Guard and Reserve Forces of the United States are a major ingredient in both the strategy of national defense and the day-to-day training and operation of our Armed Forces. The Total Force that began as an idea in the early 1970's is a reality in 1982, so much so that contingency plans to counter aggression in both hemispheres involve the commitment of reserve forces in the same time frame and as equal partners with regular military units. In order to be responsive to this tasking it is necessary for Guard and Reserve members to be as highly trained and capable with their equipment and tactics as their full-time counterparts. While it is unrealistic to say that all Reserve Component members achieve this level of readiness in peacetime environment, there are selected individuals and units that, because of their early commitment, must be ready to fight whenever they are called. The balance of Guardsmen and Reservists train to achieve the best possible readiness prior to mobilization so that their post-mobilization training will require minimal time and effort. For Reservists, the preponderence of this training takes place within the framework of initial active duty for training, (IADT), weekend drills and annual 2-week active duty training periods. Prior service members typically bring advanced skills with them that they have acquired while on active duty. The areas where the Reservist may require additional training outside the time allocated for IADT, drill weekends and the two week annual training periods, fall into several categories, the most typical being the following: Unit Conversion, Referesher/Proficiency Training, Career Development and Exercises.

Unit Conversion deals with a change of mission and/or a change of equipment. In the case of the introduction of new equipment, personnel must receive formal schooling on maintenance and operating procedures. The more sophisticated the equipment the greater the amount of training required to master its maintenance and employment.

Refresher and Proficiency Training is self explanatory and usually of relatively short duration.

Career Development Training can involve the acquisition of a higher skill level through formal schooling within a technical specialty in the case of officers may also involve Military Service Schools and Senior Service Colleges that enable the individual to assume greater responsibilities and provide more effective ledership.

In the category of Exercise Training, Guard and Reserve Forces take part in an increasing number of joint and service specific training exercises both within and outside the Continental United States. These exercises are essential to the proper employment of weapons and tactics on the modern battlefield and to the coordination of Regular and Reserve Forces working together. The duration of these exercises will normally fit within the two weeks allocated for annual training but may, in the case of NATO theatre exercises for example, run longer.

Additional situations which might require individuals with particular skills to be called to active duty beyond their annual obligation would occur during periods of increased international tension. At such times, specific units, intelligence groups for example, may be required to perform additional duty in response to the potential threat.

All of the active duty situations herein described represent legitimate demands on the time of the Guard and Reserve members and contribute significantly to the national defense. Any one may involve time away from civilian employment and it is that additional time away from civilian employment that is at issue.

A reasonable and responsible employee will request permission from his employer if Reserve Component duty requires additional time away from work. Our experience has shown that most informed employers will take into consideration the legitimacy of the request and make a good faith effort to give the employee the required time off. The problem arises when the employer agrees to let the individual take part in the additional active duty training and then fails to reinstate the individual on his return to work. It is that circumstance where the Reservist must have legal recourse to reemployment.

The Department of Labor policy as set forth in 1982 stipulates that a Reservist will be protected for a maximum of 90 days of additional active duty over the above IADT, weekend drills and two week annual training duty, within a three year period.

A preliminary survey of the Reserve Components indicates that the magnitude of the problem with respect to the total labor force is not great. The Guard and Re-

serve send less than 3,000 people annually to technical schools of greater than 90 days duration. Undergraduate Pilot Training (UPT) for the Army takes an average of 157 days. The Army has budgeted for 52 officers to attend UPT in fiscal year 1983. Air Force Reserve and Air National Guard UPT takes approximately 300 days and they have budgeted for approximately 450 officers to take part in this training in fiscal year 1983. Many of these individuals will enter this program directly from college and their impact on business and industry will be negligible. In proportion to the over 900,000 drilling Guard and Reserve members, those involved in schooling are scarcely significant to the labor force of the nation. On the other hand the impact these trained individuals have on the readiness of reserve forces is highly significant. Technological expertise in the degree demanded by modern weapons systems cannot be attained without this type of formal schooling. Under the DOD interpretation of current law any of these individuals represents potential litigation should reemployment become an issue. The Department of Labor policy would deny legal protection to all without recourse to appeal. This is a serious concern to individuals considering reserve membership.

The number of individuals who might take part in other training and exercises is not known at this time but the duration of these events would be considerably less than 90 days in almost every instance.

The significant problem with the Department of Labor policy, apart from the fact that it will operate to restrict the participation of Guardsmen and Reservists, is that it sends a danger signal to those service members that, at a time when their skills and dedication are vital to the national defense, the Government may not assist them in protecting reemployment rights guaranteed by the Congress. Of equal concern is the potential signal to employers that participation in Guard and Reserve training activities is less important today than it has been in the past.

Another problem with the Department of Labor policy, limiting statutory reemployment protection only to Guardsmen and Reservists on active duty for training tours of 90 days or less, is that it has no basis in law.

The plain language of the Reemployment Rights statute does not specify any maximum training period protected under the law. It is the opinion of the Department of Defense, and until most recently also the opinion of the Department of Labor, that no limitation existed under the law. However, in two recent cases, *Peel* v. *Florida Department of Transportation* (1977) and *Lee* v. *The City of Pensacola* (1981), the Fifth Circuit Court of Appeals examined the legislative history of the statute and, at a minimum, raised the issue that the Reemployment Rights statute's protective coverage is limited to tours of active duty for training of ninety days or less. We believe the judicial decisions made in the *Lee* and *Peel* cases should not be interpreted, as they have been by the Department of Labor, as establishing a general rule that active duty for training tours in excess of ninety days are not within the protection afforded by the current statute.

In *Lee* v. *City of Pensacola*, 634 F.2d 886 (5th Cir. 1981), the Fifth Circuit Court of Appeals refused to restore a national guardsman to his civilian employment as a municipal police officer. But, the decision was not based solely, or even primarily, on the single fact that his tour of military duty exceeded ninety days. Rather, the Court found that under all of the circumstances of this case the guardsman's actions were unreasonable. In light of the unique and extreme circumstances of the *Lee* case, it should not be regarded as establishing an inflexible ninety day rule. Rather *Lee* should be considered an aberration to be limited to its own very unusual facts which do not warrant the establishment of a new legal rule or require a change in policy.

Nor should *Peel* v. *Florida Department of Transportation*, 443 F. Supp. 451 (N.D. Fla. 1977), be regarded as a legal precedent to support a new rule based on a ninety-day time limit. In this case the national guardsman was ordered to perform 59 days of active duty for training shortly after he completed 14 days of similar summer duty training. The second tour was required by his military superiors and the guardsman reported to his civilian place of employment the day after completing it.

The District Court upheld the guardsman's right to reemployment under the provisions of 38 U.S.C. § 2024(d) but included in its opinion a brief excerpt from Senate Report No. 1672, 86th Congress, second session, which was issued in 1960, in connection with legislation that provided for the statutory predecessor of 38 U.S.C. § 2024(d). The predecessor statute, like 38 U.S.C. § 2024(d), did not incorporate any time limit in its text. The Senate report, which dealt with the training practices that were utilized at that time, included the following brief passage.

"This section [then codified as 50 App. U.S.C. § 459(g)(4)] was designed to provide reemployment protection for trainees who are absent from employment for only a short period of time, such as 2-hour drills, weekend drills, 2-week annual encamp-

ments and special training or instruction periods that may last for 30, 60, or 90 days." U.S. Code Cong. & Admin. News 1960, p. 3078.

The quoted passage played no part in the *Peel* decision and was merely gratuitous dictum not germane to the issues in that case. Unfortunately, the Fifth Circuit Court of Appeals, apparently searching for whatever support it could find to buttress its novel decision in *Lee*, included this dated observation from this Senate report in the *Lee* opinion as though the unnecessary dictum in *Peel* constituted a legal precedent when in fact it did not so qualify. Now it is proposed to compound this error by formalizing the 1960 Senate report's casual and outdated comment into a fixed and hard new rule in interpreting the scope of 38 U.S.C. § 2024(d).

The legislative history adverted to in *Lee* and *Peel* is not now relevant to interpretation of 38 U.S.C. § 2024(d) for two reasons. First, the 1960 Senate report which contained the passage cited in those decisions dealt with a predecessor statute that was significantly different from the current version that was enacted when the Veterans Reemployment Rights Act was adopted in 1974 as part of title IV of the Vietnam Era Veterans' Readjustment Assistance Act. The original version of the statute included two circumstances or actions to which that version was applicable but which were moved to a separate subsection upon reenactment of the statute in 1974. The earlier version included, among other things, reporting for the purpose of being inducted or otherwise entering service and reporting for the purpose of determining physical fitness to enter service. These two circumstances which would trigger applicable protections of the statute were removed to a separate subsection 2024(e) when the original statute was recodified in 1974 as chapter 43 of title 38 where the revised statute is now known as the Veterans Reemployment Rights Act. This change is significant insofar as statutory interpretation is concerned because the subject two circumstances or activities do, indeed, require only a limited period of time. But, upon the transfer of these short-period activities to a separate subsection of their own, the appropriateness of attributing a limited period of time to the remaining activities still included in recodified subsection 2024(d) is subject to question.

More importantly, the second reason why the observation in the 1960 Senate report is not now pertinent is that military training practices have changed substantially in the intervening two decades. Since enactment of the original statute in 1960 much greater emphasis has been placed on the reserve components under the Total Force Policy. Now that the reserve components are depended upon to furnish a major part of our overall forces in the event of large-scale international hostilities, the training of those elements has been greatly increased. Thus, whereas in 1960 inactive duty for training tours almost never exceeded ninety days in duration, tours in excess of that period are now commonplace. Therefore, it is not appropriate to apply an old standard to current practices.

Indeed, it is ironic that the Fifth Circuit Court of Appeals would attribute to Congress an intention to restrict the application of 38 U.S.C. § 2024(d) when in fact the real intent of Congress was to provide enhanced protection of reservists' reemployment rights so as to encourage their participation in Guard and Reserve training to the fullest extent.

In light of the restrictive, and I believe erroneous, interpretation the Department of Labor has given these cases, and because the Courts in other Circuits may adopt a similar interpretation I believe legislation such as H.R. 5209 is timely and needed. However, I would like to apprise this Committee that the current Bill, proposing to amend the first sentence of Section 2024(d) of Title 38 by inserting the words "for any period not in excess of 12 months" after "active duty for training", may be too broad. I am concerned that this language could be construed as permitting back-to-back 1 year absences from civilian employment. Such an interpretation might have the effect of signaling employers, upon whose cooperation and support we heavily rely, that it might be disadvantageous to employ members of our National Guard and Reserve. And, in light of the very real need to strike an equitable balance between the increasing training needs of the Guard and Reserve Forces and the interests of civilian employers, this Committee may wish to consider additional language in H.R. 5209 that would define the proposed 12 month protected period as cumulative over a specifically circumscribed period of time.

In conclusion, Mr. Chairman, I thank you and the Members of the Committee for your assistance and your interest in the Guard and Reserve Forces of our nation. It is my belief that your support of a strong Guard and Reserve for our Regular forces has been a key factor in maintaining an effective deterrent posture and combat ready Total Force should we be required to employ it in battle. And, I ask for your continued support.

Mr. EDGAR. Now that I have vented my spleen, we are really pleased to have General Greenlief here. Maj. Gen. Francis Greenlief is the executive vice president of the National Guard Association of the United States, and we are pleased to have you here to testify on one of the two bills that are before us today and any other comments you would like to make. We would ask that you proceed at this time.

STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF (RETIRED), EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES, ACCOMPANIED BY COL. WILLIAM M. BLATT, GENERAL COUNSEL

General GREENLIEF. Mr. Chairman, I start by saying that I share your crankiness with OMB. I understand that they have been unable to produce a position, that is, an administration position, as between DOD and the Department of Labor.

I am pleased at least to see that DOD is hanging in there in support of H.R. 5209, but I must say I see no reason why both Labor and DOD could not have been permitted to appear before you, present their views, and then let the committee work its will. So I am just about as cranky about that subject, sir, as are you.

I appreciate very much the opportunity to be here. Our association does strongly recommend enactment of H.R. 5209, and with your permission, I will offer my full statement for the record and just highlight certain portions of it.

Mr. EDGAR. Without objection, so ordered.

[The prepared statement of General Greenlief appears on page 111.]

General GREENLIEF. Mr. Chairman, the Army National Guard provides 46 percent of the combat structure of the U.S. Army and a very significant portion of the support units of the U.S. Army.

The Air National Guard provides from 40 to 50 percent of the aircraft of the several major commands of the Air Force. In addition, the Air National Guard provides 70 percent of the combat communication capability of the Air Force.

Today the Army and Air Guard provide such a significant part of Army and Air Force war fighting capability that those services cannot expect to fight and win unless the National Guard can fight when, where, and as well as the regulars.

Each of the other Reserve components provides significant and essential elements of our Nation's defense forces. Since the Guard and the Reserves are expected to fight when, where, and at least as well as the regulars, we insist that we be manned, trained, equipped, and supported as well as the regulars today.

The total force policy requires that the National Guard be able to fight the day they are mobilized. Training must be accomplished in peacetime, and it cannot be done by just reading field manuals, completing correspondence courses, or entirely during unit training assemblies and annual training.

In providing for leaves of absences and reemployment rights for guardsmen and reservists, undergoing the specialized, individual technical training required for their initial qualification, professional advancement in command, and retraining as new weapons

and equipment come into the inventory, the Congress recognized the imperative that every employer, public and private, had to guarantee job security to the part-time soldiers, sailors, and airmen in their employ.

Until the recent court decisions in the *Peel* and *City of Jacksonville* cases, there had been no question but that section 2024(d) of title 38 meant exactly what it said: Guardsmen and reservists were entitled to leaves of absence to perform the full-time or active duty for training required of them. The courts' decisions that there is a 90-day limitation on that entitlement exacerbated by the wholly gratuitous extension of the court's pronouncement by the Bureau of Veterans' Reemployment Rights of the U.S. Department of Labor to the effect that there is a limitation of 90 days in any 3-year period came as a bolt out of the blue.

Mr. Chairman, in the Guard and in the Reserve, we do our level best to perform essential military training without disrupting work schedules and the orderly transaction of civilian business, including that of government at all levels. In return, we feel that Federal, State, county, and municipal governments, labor and industry and businesses, large and small, owe our members the right and privilege to serve in the National Guard and in the Reserve, in the certain knowledge that security and advancement in their civilian employment is in noway jeopardized by that service.

Finally, Mr. Chairman, we believe that the Bureau of Veterans' Reemployment Rights should be responsible for enforcing a law which is clear and unequivocal. For these reasons, our association urges the speedy enactment of H.R. 5209, 97th Congress.

Mr. Chairman, I am accompanied today with the general counsel of our association, Col. William Blatt. Between the two of us, sir, we would welcome the opportunity to seek to answer your questions.

Mr. EDGAR. Well, thank you very much for your testimony and also thank you for your support on another bill, H.R. 1400. You testified very aggressively before that legislation in times past, and we have had a good opportunity to share your full support for the bill. We appreciate your leadership.

I have three or four questions that I would like to address to you and hear your concerns and comments.

The unofficial testimony of the Department of Defense states that they disagree with the Department of Labor's restrictive regulations regarding unemployment rights, limiting all to only 90 days of training within a 3-year period. As I interpret their analysis, an extension of the 90-day period as called for by Mr. Montgomery's bill would be necessary to accommodate only 3,000 National Guard members and reservists who attend technical schools of long duration.

Would you agree with this analysis?

General GREENLIEF. Mr. Chairman, I have not read their statement. I do not know where their numbers came from. I must disagree. Our numbers show that in the Air National Guard there are 685 Air National Guardsmen who, in the fiscal year 1981 program, attended school courses in excess of 90 days, and on the Army Guard side, there were 3,024.

Now, those numbers sound large, but as a percentage of the force, that is a fairly small number. The National Guard, Army and Air, are larger than all of the other components put together so that if you double the number, you are still only talking about 7,000 people out of a force of about a million.

The people themselves are very, very critical to the National Guard program. I cannot believe that 7,000 employees in a nation of our size going to school for more than 90 days would cripple business or industry or government.

Mr. EDGAR. I agree with you.

Would you also approve Department of Defense's statement that the language of H.R. 5209 could be too broad? Would you accept an amendment to the language which would define, as proposed, a 12 months protective period as cumulative over a specifically circumscribed period of time?

General GREENLIEF. No, sir, I would not. I have with me a list of the courses that Army and Air guardsmen attend, and we are only talking about 90 days and then up to a year. H.R. 5209 provides reemployment rights for a year's service. A number of these schools are 10, 11, 12 months. I do not see any purpose in making that cumulative for a 3-year period.

As a matter of fact, sir, it seems to me that the language of the current law is quite explicit. It does not put any time limit on it. The only reason that you are having to consider H.R. 5209, and we are here supporting it, is that the Labor Department, acting not on the court decision, but just pure dicta, reached a conclusion that is totally unwarranted. Therefore, we apparently need the legislation to help the Department of Labor interpret what the law already says.

I would not agree to extending the 12-month period or the reemployment right to 12 months service over a cumulative period of 3 years.

Mr. EDGAR. Dennis R. Shaw, the principal director to the Deputy Assistant Secretary of Defense, in the unofficial testimony that was sent up and then withdrawn, says on page 10 of that unofficial testimony:

> Thus, whereas in 1960 inactive duty for training tours almost never exceeded 90 days in duration, tours in excess of that period are now commonplace. Therefore, it is not appropriate to apply an old standard to current practices.

He goes on on page 11 to state:

> In light of the restrictive and, I believe, erroneous interpretation the Department of Labor has given these cases and because the courts in other circuits may adopt a similar interpretation, I believe legislation such as H.R. 5209 is timely and needed.

In light of that, I get a sense from your testimony that you agree with that interpretation that the Department of Defense has made, that it is important to put this legislation on the books and provide for the extension so that it clarifies for the Department of Labor and for the courts what the intention of Congress is in terms of a more modern standard.

Do you have any suggestions as to how we light a fire under the Department of Labor to be interested in this issue?

General GREENLIEF. First, Mr. Chairman, I fully agree with Mr. Shaw's statement, and I would comment that in other hearings

during this Congress, Dr. Philbin, who is Dennis Shaw's boss, has said in testimony that he supports H.R. 5209. So I think we will already find that in the record.

I fully agree that we do need the legislation to dictate to the Department of Labor and also to provide a very clear statement in law for other courts who might consider the question.

Mr. EDGAR. Thank you very much for your testimony this morning. It has been very clear and to the point and, while we did not have lots of questions, we had some agreement, which is very good. We appreciate your taking the time to review the legislation.

General GREENLIEF. Thank you, Mr. Chairman.

Mr. EDGAR. Our next witness will be Mr. William L. Heartwell, Jr., executive vice president of the Interstate Conference of Employment Security Agencies, Inc.

Mr. Heartwell, we welcome you here today, and we appreciate the fact that you have taken the time to review the legislation. The full text of your statement will be made a part of the record. You are welcome to read it or summarize it as you see fit.

STATEMENT OF WILLIAM L. HEARTWELL, JR., EXECUTIVE VICE PRESIDENT, INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.

Mr. HEARTWELL. Thank you, Mr. Chairman, and I again appreciate the opportunity of appearing before you.

We certainly remember very vividly the hearings that you conducted, I believe, on February 2, after our troops had been more or less decimated as far as the cuts were concerned, and thanks to you and other people who, I think, recognize that this was the wrong time to cut people trying to find jobs and to assist everyone in finding jobs. As you are aware, most of those cuts were restored, and we feel like we are in a little bit more stable position.

I would like to read my remarks, which are very brief, Mr. Chairman, concerning the proposed draft.

I think you are aware that our organization does represent the public employment service in all of the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands, and I respectfully request also, inasmuch as we have just had a few days to review this draft, that we be afforded the opportunity to submit additional comments in the near future.

Mr. EDGAR. Without objection.

Mr. HEARTWELL. Thank you, sir.

First, we support the work of the subcommittee to improve job training and job placement programs for veterans. Toward this goal, the draft bill makes a number of substantive changes in title 38, United States Code, which are fully supported by our organization.

Specifically as proposed, the disabled veterans' outreach program [DVOP], would be financed by general revenues rather than employer taxes, which are collected under provisions of the Federal Unemployment Tax Act. With the exception of the current fiscal year, the program has always been funded from general revenues by the Comprehensive Employment and Training Act, although it was administered by the State employment security agencies.

This was a most successful arrangement within which the program was initiated and became so successful as to motivate this committee to insure its permanent status in legislation, Public Law 96-466.

As you are keenly aware, reductions in Employment Service staffing and the mandated absorption of DVOP costs in the employment service budget, both initiated by this administration, have had a detrimental impact upon program performance.

Your proposal to fund DVOP out of general revenues, therefore, can be a major factor in achieving the desired goals of the program. However, if the current level of Employment Service staff-years, which is now 24,800, is reduced to offset the cost of supporting 2,000 DVOP specialists, we have accomplished very little.

Therefore, we feel it is important to recognize that an adequately staffed employment service is essential in providing the support systems that are necessary for such programs as DVOP, as well as our basic labor exchange activities.

Specifically, the following support systems and programs provide the foundation of our nationwide network: counseling, testing, labor market information, computerized job listing and matching, employer services, job development, and occupational and industrial classification. Without these basic tools any type of job placement program would be hampered in accomplishing its objectives.

Mr. Chairman, in light of this most important issue, we strongly request the subcommittee to consider additional language in the proposed amendment which would clearly state that this change is in no way intended to reduce employment service staff years below the authorized fiscal year 1982 level.

Further, we encourage you to consult with the Budget and Appropriations Committees regarding this vital matter.

On a related issue, we certainly support the language in the draft bill which would allow waivers to be granted under the present DVOP outstationing requirement. A number of our State employment service directors have reported to us that the language in the current law has prevented them from effectively utilizing the staff. In many instances productivity could be increased by assigning more than three-fourths of the specialists in employment service local offices.

However, it should also be noted that for some States greater outstationing has proven much more beneficial. The waiver provision contained in the draft bill recognizes the differences between the States with regard to population centers, economy, number of appropriate VA facilities, and so forth, and therefore will provide the States with the needed flexibility to assign staff and more effectively serve the eligible veterans.

The interstate conference also supports that provision in the draft bill that would, in effect, transfer the Office of Veterans' Reemployment Rights to the Office of the Assistant Secretary for Veterans' Employment. We believe this transfer is consistent with the intent of the Congress when the Assistant Secretary's position was established in law, and further, that this transfer will result in a greater responsiveness to returning veterans and reservists whose re-employment rights have been infringed upon.

The interstate conference also supports the establishment of the Secretary's Committee on Veterans' Affairs. We recommend that in addition to the representatives listed in the draft bill, the Administrator of the U.S. Employment Service, for coordinating purposes, also be included as a full member of the committee. As the Federal official most directly responsible for the maintenance and support of the public employment service program, his participation on this advisory body would be a positive contribution.

Mr. Chairman, the interstate conference fully recognizes the desire of this subcommittee to insure that the employment and training needs of all veterans are met in the most responsive and cost-effective manner, and to that extent we support the intent of section 2009, which would create a national employment assistance program.

However, we firmly believe that this program, as presently drafted in the bill, would duplicate existing veterans' activities within the employment service system. This includes dedicated Employment Service staff who are responsible for meeting the special counseling and placement needs of veterans.

We believe that the Employment Service is the most productive, job-placement resource for all veterans. This includes individuals recently separated from the military, as well as those who have been working in civilian jobs, but now find themselves temporarily or permanently unemployed.

In addition to approximately 2,000 DVOP specialists and 1,300 local veterans' employment representatives who concentrate their efforts on serving the veteran, our system also includes highly qualified testing specialists, counselors, Employment Service representatives, employment interviewers, and many other dedicated staff.

Our system is supported by a highly computerized program of job listings and referrals, structured job-development activities, and labor market information products, including those which are essential to making occupational choices, a proven system of occupational and industrial coding, a mechanism for locating employment opportunities that may be outside of an individual's region or State, and many other employment-related services that are offered in approximately 2,000 offices across the country. It is not productive or cost effective to establish a duplicate system of the type described in section 2009.

With regard to training for veterans, we would recommend that every attempt be made to utilize existing structures, and we recognize that in the past the CETA system which has been used has not been totally responsive to the training needs of veterans.

However, legislation, as you are aware, is now being developed in both Houses that could adequately address this area of need, and we would encourage the subcommittee to continue to work with the authorizing committees in this regard.

Mr. Chairman, that concludes my remarks, and again, I appreciate the opportunity of appearing before you, and I would be pleased to respond to any questions that you may have, sir.

Mr. EDGAR. Thank you for your testimony.

[The prepared statement of Mr. Heartwell appears on p. 115.]

Mr. EDGAR. I have one question which you touched on before you began your statement, and that is: Could you please for the record explain the current situation regarding the DVOP funding and its impact on the Employment Service, and please also explain the steps you consider necessary to avoid the problems with DVOP in the future that we experienced this year?

Mr. HEARTWELL. Yes, sir. Well, just for a brief summary of the scenario, the Employment Service has been funded at 30,000 positions for approximately 16 years, up until last March of 1981. In the first cuts recommended by the President and the administration, the Employment Service was cut down to approximately 24,500 positions, around 17 or 18 percent.

In addition, we were asked to absorb the DVOP and the LVER positions, which totaled 3,500 positions. In addition, with the third continuing resolution, prior to Christmas, we were cut an additional 12 percent, which ostensibly to the Members of the Congress appeared as if we were operating at 21,000. But actually when you consider the absorption of DVOP and LVER's, plus the fact that these cuts were made retroactive back to October, we figured our actual number of personnel in the field was closer to 14,000.

So within 1 year's time, we have been cut from 30,000 persons in the Employment Service to 14,000. The restoration did alleviate this to some extent.

Now, on DVOP we have felt that this is a highly specialized and successful program, and our administrators in all the States have emphasized that they believe in this program. But we feel like with this money coming out of our regular budget, which is paid by the employer's tax, and absorbing this has put an additional strain on the Employment Service.

We support the program, and we are asking, as your draft certainly recommends very strongly, that this money for the DVOP's and the LVER's be funded out of the general revenue so we can concentrate on providing these special services that the legislation requires.

Mr. EDGAR. We understand that the problem of full funding is not just that the DVOP be paid for out of general revenues, but we need to have a line item separate and in addition to the funds for the Employment Service. Otherwise we will have the problem that you suggested.

Mr. HEARTWELL. Yes, sir.

Mr. EDGAR. We also need your help in working with the Appropriations Committee to get that line item and also to indicate to them the importance of this special consideration for the DVOP program.

Mr. HEARTWELL. We pledge our support to that end, sir.

Mr. EDGAR. One final question. What is your view of the provision of the bill which would allow waivers to be granted for stationing DVOP's outside the employment office as compared to the present requirement that no less than one-fourth shall be outstationed?

Mr. HEARTWELL. We feel that depending on the population, the veterans' population or the lack thereof, and the circumstances, that the State administrator of the Employment Service, along with the veterans' representative, should have the flexibility to determine how these positions should be used.

In some areas we have been told by administrators that they just cannot justify—the administrator of South Dakota, for instance, recently—that they just could not justify outstationing the number that was required because of the veterans' population.

Other areas say they could outstation more than the 25 percent, and all we are saying is that to effectively utilize the DVOP specialists, flexibility should be granted to the administrators to use them where they think would best meet the local requirements of all the veterans.

Mr. EDGAR. Well, thank you very much for your testimony, and we appreciate your answering of the questions. We look forward to working with you as we move towards drafting this legislation.

Mr. HEARTWELL. Thank you, sir.

Mr. EDGAR. We would like to hear now from the Veterans of Foreign Wars. They have two representatives who will be here.

Welcome, gentlemen.

We have representing the Veterans of Foreign Wars, Mr. Philip R. Mayo, who is the special assistant, national legislative service, and he is accompanied by Mr. Kim Graham, employment specialist.

We appreciate your coming. We particularly appreciate the service organizations in receiving the draft only a few days or a few weeks ago taking the time to analyze the draft, to come and prepare their statements, as you all have done, and we would like to thank you for taking that time.

STATEMENT OF PHILIP R. MAYO, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS, ACCOMPANIED BY KIM GRAHAM, EMPLOYMENT SPECIALIST

Mr. MAYO. Thank you, Mr. Chairman.

Mr. EDGAR. Your full statement will be made a part of the record, and you can abbreviate or read the statement, as you see fit.

Mr. MAYO. I will be happy to summarize.

We feel that for far too many years we have witnessed and participated in what has become an annual struggle to secure the adequate funding so vital to implementing an effective employment program for veterans. This ritual usually includes discussion over the 52 secretarial positions for State directors, the DVOP program and its funding, numerous employee vacancies in the VES, to name several.

Therefore, it is with genuine appreciation that we commend this subcommittee and its staff in the formation of this initiative. We view it as a means by which this annual ritual we endure may be put to rest.

Recognizing the intent of the measure to strengthen programs under chapters 41, 42, and 43 and after some review, we believe the draft needs further comment and work in order to accomplish this goal. While there may be redundancies in those chapters within the proposal, it is our view this has occurred largely because of the frustrations that have developed out of the current way the programs are working.

In essence, it is a restatement of what employment programs should be. We support the system. It is our hope that we can strengthen it and the job it does so that we may expend our collective energies on effectively assisting the client who has for too long been ignored, the veteran.

As you know, the timeframe in which we have considered this draft measure has not allowed us the opportunity to thoroughly review its provisions, and we ask the opportunity to provide additional and more specific comments on it as it passes through the legislative process.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Mayo appears on p. 121.]

Mr. EDGAR. Mr. Graham, do you have any comments you want to add to that?

Mr. GRAHAM. Just one, Mr. Chairman. I believe in the second page of your statement that you said that the draft proposal today is aimed at correcting the situation. I believe you hit the target, and with just a little bit more work, you will hit the bull's-eye.

Mr. EDGAR. I see. I think that your statement and our efforts over the last several months and years have been to try to develop a way that Department of Labor does a more adequate job and a more careful job and a more comprehensive job in dealing with employment problems.

What are you hearing from your veterans' posts throughout the Nation about the rising unemployment among Vietnam-era veterans and among the veteran population generally?

Mr. GRAHAM. Just basically frustration. We realize that in today's economy there are not many jobs, and unfortunately the Employment Service, as is the whole Department of Labor, an easy target to blame, but unfortunately they do not have the jobs there to offer.

This frustration is increasing, and we are receiving more and more mail daily regarding this lack of employment opportunities. Every single day I get letters where I am told by the veteran, that he feels that he has put his life on the line, and the least he deserves is an opportunity to better himself in society. He does not like to be on the welfare rolls. He does not like to be unemployed. He wants to be productive, and all he is asking the Government to do is to provide an opportunity to be productive.

Mr. EDGAR. The growing concern because of the higher levels of unemployment, is that focused primarily on Vietnam or veterans across the board?

Mr. GRAHAM. Primarily on the Vietnam veteran, but nowadays with all the cutbacks that are being experienced by the whole population, we are definitely seeing an increase in the older veteran also.

Mr. EDGAR. Let me ask you the same question I asked Mr. Heartwell, the question about the provision in the bill which would allow waivers to be granted for stationing DVOP's outside the employment office as compared to the present requirement of no less than one-fourth shall be outstationed.

Do you have a position on that?

Mr. GRAHAM. We would be very much for that waiver provision. However, the wording, I believe, within the proposal has the Assist-

ant Secretary in consultation with the regional and State directors. We feel it is important to include the Director of the Veterans Employment Service so that the Assistant Secretary does not become a glorified director of the Veterans Employment Service. He should be included very much in the discussions.

Mr. EDGAR. Are there other pieces of legislation that you have been following in the education and employment and training area for the general population where you think there are provisions that either support or overlook the needs of veterans?

Mr. GRAHAM. Certainly. There are many current job programs that have absolutely no mention of veterans.

As far as proposals, one thing that was in the paper yesterday concerned a program that is being run in Delaware concerning Jobs for America's Graduates, Inc. It stated that it is a joint project between Department of Labor and private industry and that it had a successful placement rate of 86 percent.

Right now I am investigating to find out if there is some possible way that we could tie in veterans so that they, too, could enjoy that highly successful placement rate.

Mr. EDGAR. Would our grant program help with that?

Mr. GRAHAM. I believe that any type of program to help veterans would be very positive. The grant program itself needs work in the proposal because I believe that there are many people fearful that if we start to head too much toward the grant program that we are going to do away with the employment service as it exists today.

We feel that it is a very commendable operation as it exists. However, it has not had the support it needs. This year-in and year-out situation where various administrations are cutting back on funding for the Employment Service is ridiculous, when if anything they should be increasing the funding.

You heard Mr. Heartwell say that the level for the past 16 years was at approximately 30,000. Then when the economy goes down, you cut back on the Employment Service? It makes no sense.

Mr. EDGAR. Not only do they cut back on the Employment Service, but they cut in half the training and education programs generally within the Federal budget, and it does seem a little disturbing.

You mentioned that there are pieces of this proposal that need work, and we understand that. There are two things that you should never see made. One is sausage or scrapple, and the other is laws. We introduced or drafted this legislation piecing together a number of ideas.

We know that some pieces of it have to be removed, altered, changed. One of the reasons we did not introduce it and run to the House floor, put it in, and get all kinds of cosponsors and signatures was because we wanted to have it field tested first. We wanted to make sure that when the bill was introduced, that it did meet many of the objections and concerns and the goals that the traditional veterans' organizations, plus those who have some expertise in employment services, really felt were necessary.

So we want to thank you for your taking the time to review the draft proposal, and I would like to urge you to help us in two respects: One, with the Appropriations Committee on our problem with DVOP and avoiding that type of funding problem; and second,

on looking at this draft with legislative and legal language changes that you think ought to at least be considered by our committee.

We do hope that a bill like this can be introduced and move, but we would like the expertise from your organization in the not too distant future.

Mr. GRAHAM. You certainly have the pledge of the VFW in that regard, sir.

Mr. EDGAR. Thank you very much. I have no further questions.

Mr. MAYO. Thank you, Mr. Chairman.

Mr. EDGAR. Our next witness will be from the American Legion, Mr. Paul Egan, deputy director of the National Legislative Commission of The American Legion is here.

Paul, we appreciate your coming and putting your testimony together. Your full statement will be made a part of the record, and we invite you to summarize or proceed as you see fit.[1]

STATEMENT OF PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION

Mr. EGAN. Thank you, Mr. Chairman. My remarks this morning will be brief.

I think by now the position of The American Legion on employment training programs for veterans is clear. In fact, today's appearance marks the seventh time since November that we have made presentations on this subject alone.

It may also interest you to know that just yesterday afternoon we made a presentation before the Senate Appropriations Subcommittee on Labor, HHS, Education, advising them of the desirability of line iteming veterans' programs as well as alerting them to this initiative before us today.

Speaking of your draft legislation, let me say at the outset that we find it to be right on target, and after having said that, let me just say that there are four adjustments that might be made.

First of all, in the Secretary's veterans' advisory committee, we believe that it would be appropriate to have a representative on that committee from the Employment Training Administration.

Second, we believe that the Assistant Secretary of Labor for Veterans' Employment, like every other Assistant Secretary, ought to have a Deputy Assistant Secretary.

Third, we believe that it might be desirable to consider a change in the 2-year residence requirement for State directors of Veterans Employment Service. We would recommend giving assistant State directors some sense of career advancement by allowing an additional provision which would, in lieu of the 2-year residency requirement, allow someone to be eligible if they had 2 years of continuous service within the VES. We say that with the understanding that from State to State most veterans' employment programs are set up pretty much the same way, and that simply because someone was not a resident for 2 years within a State that they should not necessarily be ineligible.

Finally, as regards the grants and contracts program, we would feel more comfortable with a specifically identified $20 million for that program.

[1] See p. 94.

Other than that we have almost no objection whatever to the legislation.

Mr. EDGAR. Thank you for those four observations. You will be happy to know we weighed your testimony, and you won the battle of the number of pages that are considered here, and it shows your research and your involvement in this issue, and we want to also thank you for your testimony yesterday.

This is a tough issue, and I would like to ask you a similar question that I asked the VFW about what you are hearing from the field. We see national statistics of 9 percent national unemployment as it relates to the overall population. We know that rate is clearly higher for the 750,000 Vietnam-era veterans.

We also have a sense that in certain areas there are pockets of unemployment that are far higher than the national average. We have places like Pennsylvania and Michigan. We have cities like Chester and Detroit, small communities and large communities that among certain groups of people within that population there are high levels of unemployment, and the growing level of uncertainty and distress that we are feeling among veterans and those who are finding it difficult to find work is coming to our attention.

Do you find that same thing within the American Legion? Are you getting calls from the field?

Mr. EGAN. We hear from the field that there is some concern. Of course, there is concern within the veterans' community on a variety of issues, budgetary issues being the principal one, but as regards employment, it is difficult to make an accurate statement simply because we do not get mail from veterans saying that the unemployment problem is no problem at all.

All we do hear when we hear about that subject is that it is, indeed, a significant problem. I do not think there is any question but that something needs to be done, and we believe that your draft goes a long way toward that end.

Mr. EDGAR. We appreciate that.

On your other statement about the other budget cuts that you are finding some uncertainty about, we are just trying to get government off your back and out of your pocketbook, and it is our little way to——

Mr. EGAN. I do not believe that I can be drawn into a partisan comment, Mr. Chairman. [Laughter.]

Mr. EDGAR. Did that sound like I was trying to do that?

Mr. EGAN. Sure.

Mr. EDGAR. Well, I appreciate your testimony. I have really no specific questions. I think your four suggestions are helpful for us in terms of consideration. Your third statement is one which we are really looking at very carefully as to additional members on the task force committee. We have no problem with looking at additional members on that group.

Mr. EGAN. Well, let me just conclude by saying, Mr. Chairman, that my organization owes you a debt of gratitude for the leadership that you have exhibited throughout this entire matter, and we appreciate it.

Mr. EDGAR. I appreciate that.

Our next witness will represent AMVETS, Mr. Peter Currier, deputy national service and legislative director for AMVETS.

Before you begin your statement, will you introduce our friend, who needs no introduction?

STATEMENT OF PETER B. CURRIER, DEPUTY NATIONAL SERVICE AND LEGISLATIVE DIRECTOR, AMVETS, ACCOMPANIED BY GABRIEL BRINSKY, NATIONAL SERVICE AND LEGISLATIVE DIRECTOR

Mr. CURRIER. Yes, Mr. Chairman. With me today is the national service and legislative director for AMVETS, Mr. Gabriel Brinsky.

Mr. BRINSKY. Mr. Chairman, it was meant to be the other way around. I was going to introduce our new deputy national service and legislative director, who I am sure this subcommittee will have the occasion to hear many times in the future, Mr. Peter Currier.

Mr. EDGAR. Thank you very much.

Mr. CURRIER. Thank you, Mr. Chairman.

My testimony will be short. However, we would ask that the complete statement be incorporated as part of the record.

Mr. EDGAR. Without objection, so ordered.

Mr. CURRIER. To briefly summarize our position, we are pleased with the proposed legislation, the draft of which is now before this committee. AMVETS is of the opinion that such legislation, if enacted, will serve to enhance the efforts of the Department of Labor to put veterans back to work on a large scale basis.

We make this observation on several points. By infusing new funds and renewing personnel ceilings into the DVOP, a very fine and most successful program for veterans' employment will continue to achieve success. By allowing grants for veterans' employment programs to a wider variety of entities at the local level, the legislation allows for those in tune with the problems at the local level to deal directly, and therefore, more efficiently with the issue.

The establishment of an advisory committee will allow for input from several sources directly concerned with the issue and will in some measure allow for oversight.

The proposed legislation broadens the avenue for the veteran who feels he has been discriminated against to pursue claims of noncompliance with Federal regulations.

We feel that those provisions relating to Veterans' Employment Service are sound and will allow a better supervision at the local level of practices in veterans employment.

In summary, Mr. Chairman, AMVETS would favor the enactment of the legislation as proposed and would view this as a strengthening of veterans' employment programs administered by the Department of Labor.

Mr. Chairman, in previous testimony of a previous witness you asked what could be done perhaps to instill a sense of urgency into the Department of Labor regarding veterans employment, and I would make reference to our full statement which draws upon the figure of 750,000 unemployed Vietnam veterans, and, of course, if you take into account the discouraged job seekers, this figure could near 1 million.

Just for the sake of demonstration, we would offer that perhaps these 750,000 unemployed veterans could earn as much as $15,000

annually if employed full time, and we have made the following projections.

Thirty million man-hours weekly, or nearly 1.6 billion man-hours annually, are lost to industry, and that represents $11.75 billion annually lost to the national economy.

We are told consistently that the way out of the economic abyss and the problems that we are having right now is through increased productivity, and quite frankly, I am somewhat perplexed by the fact that, on the one hand, we are told that productivity is the answer to our economic woes, and yet, on the other hand, there are weakening job programs for veterans.

If we recognize that only 9 percent of those Americans unemployed represent Vietnam veterans, then further projections are mind boggling. We think that this particular legislation is timely and necessary right now, and we would commend the members of the committee for its draft.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Currier appears on p. 87.]

Mr. EDGAR. Thank you for your testimony. We appreciate your sharing your views.

In the grant program that is outlined in the draft proposal, do you find it duplicative of existing programs? Do you have any experience with whether or not it is a good provision?

Mr. CURRIER. I think it is a good provision from the standpoint of allowing, as I said in my statement, the wider variety of entities at the local level and, in essence, it allows for the grassroots approach to the problem, and as far as duplicity, I think that as a matter of fact, it allows for a broadening of the capabilities at the local level to deal with the problem.

Drawing upon the example set in my home State among the DVOP program, the grant program to the contract holder of the DVOP allowed for an additional avenue for veterans to seek employment in a State where unemployment is very, very high, and in some counties ran as high as 33 percent. So by allowing a community-based representative who was in tune with the needs of the community in all aspects of the employer and the veteran, it allowed for additional avenues for job seeking.

Mr. EDGAR. I appreciate that. We found the same kind of thing in Philadelphia. We have a Vietnam veterans' multiservice center in Philadelphia, which is an outreach center, and it has placed vets in jobs with an average total income of about $4.4 million pumped into the economy. We found that many veterans found it difficult to go to the traditional placement services, and sometimes these special grant programs can, in fact, provide a special link and special help for those with specific needs.

Let me ask you one other question. Would you support the provision in the legislation that provides full-time Federal clerical support for the State directors of veterans' employment as defined in civil service laws?

Mr. CURRIER. I would think that to effectively deal with the problems of veterans employment, it cannot be a one-man office or even a two-man office, without the clerical backup. I know from my own personal experience, without a secretary I would be lost. I could not possibly turn out the tasks which are before me in my job.

I would think that the State veterans' employment specialist would, of necessity, have to have a full-time secretary if he is to successfully carry out his tasks.

Mr. EDGAR. Thank you very much for your testimony, and we hope that you, and the other organizations, will carefully look at the draft, and if you see other suggestions or alterations to the legislation, please get in touch with us as soon as possible.

We are going to need your support on the DVOP issue. We are going to need your support on a number of other critical issues over the next couple of weeks as we look at the Federal budget and as it relates to education, training and employment issues.

So thanks for your testimony today, and we appreciate your coming.

Mr. CURRIER. Thank you, Mr. Chairman.

Mr. EDGAR. Our next witness will be Mr. Ronald Drach, national employment director, Disabled American Veterans.

Ron, in light of some television coverage last evening, we have one question to ask you before you begin. Were you chauffeur driven over here this morning, and did your chauffeur get any extra overtime pay?

Mr. DRACH. Well, that depends on how you define "chauffeur." I was running late, and my wife dropped me off in front of the Capitol and I walked across. She did not get extra pay for that, no.

Mr. EDGAR. Welcome this morning, and we appreciate your putting your testimony together. Your full text of your testimony will be made a part of the record and, as usual, we appreciate your helping to analyze this legislation. We look forward to hearing your testimony.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you, Mr. Chairman. I, too, will be brief.

At the outset I would like to say that I am very pleased to hear the virtually unanimous support for the draft proposal. I think we all agree that in any draft, whether it be a draft that we prepare in our office for testimony up here or a draft piece of legislation, there is going to be some semantic differences and problems, and I think if we waited too much longer though, it may be too late.

I am happy to see this draft proposal. I am happy to have an opportunity to have some input and to appear before you today on behalf of the Disabled American Veterans to offer some comments.

In general the DAV supports the bill as being very meritorious. As you know, over the past decade, four to five veterans' employment laws have been enacted and been codified in title 38 to address the needs and problems of employment for disabled and Vietnam-era veterans. It is, indeed, regretable that we have to be here today to take a look at some of that legislation to try to perhaps tighten up some of the congressional intent that should have been perhaps implemented 10 years ago and we would not be here today.

Over the years the Department of Labor has come before this subcommittee and other committees and has offered excuses rather than reasons for not addressing the needs of Vietnam-era and dis-

abled veterans, and perhaps even by putting some strong language into the law, maybe we can take away some of their excuses also.

I would like to just mention at least four programs, if you will, that have been established: The affirmative action program for disabled and Vietnam-era veterans, which has not addressed those needs, has not been enforced, has not been adequately implemented over the years; the disabled veterans' outreach program, which in our opinion is perhaps the most beneficial program enacted over the 10 years, although it still needs some work obviously, as discussed earlier, in terms of budget allocations and appropriations.

Back in 1976, I guess it was, a Deputy Assistant Secretary of Labor was established. Everybody thought that that would solve all of our problems. That did not work, and in 1980 the Congress established the position of Assistant Secretary of Labor for Veterans' Employment.

In February, during the oversight hearings it was mentioned by the Department of Labor witnesses that the problems would now be solved because we have a full Assistant Secretary of Labor for Veterans' Employment. As we testified earlier, Mr. Chairman, we do not believe that the title or a position of an Assistant Secretary in and by itself is sufficient to carry out the duties or carry out the responsibilities.

I think we have heard over the years as an excuse that the Department of Labor or the Veterans' Employment Service has had a lot of responsibility, but not real authority, and I think there is some validity to that argument. They have not had much authority, but have had a lot of responsibility.

We believe that the intent of this discussion draft goes far in reaching out and providing additional responsibility, but also some authority which is badly needed.

I would like to comment on a few other sections, if I may. We are happy to see that you intend to clarify the congressional intent as to who the secretarial staff should be for the Veterans' Employment Service. This, if enacted, would take out any question as to whether or not the support staff should be State employees, CETA employees, Federal employees, and erase that question once and for all.

We are also definitely pleased to see the provision regarding the funding for the disabled veterans' outreach program. Without that funding, we believe that DVOP, as we indicated earlier, will remain in name only and will just be absorbed within the system and will lose its total identity.

We are also pleased perhaps even more importantly to see that the authority would be given to the Assistant Secretary to administer the money. Without control of that money, again, we would lose the identity of the program, and it would be absorbed into the overall system.

Although not in my prepared text, one other comment I would like to make regarding one of the proposals in there is the definitional change of "disabled veteran" or "special disabled veteran," if you will, to delete that category. There is some question as to perhaps the need or what this would do in terms of the population.

No. 1, it would approximately double the population of disabled veterans eligible for, "affirmative action only by section 2012 of

Title 38." It would not literally increase the population because these individuals are already covered for affirmative action under the Rehabilitation Act of 1973, as handicapped individuals.

Those individuals by law already have the right to file a complaint if they believe they are discriminated against under section 2012 of title 38 and also under section 503.

Essentially what the amendment would do would be to clarify and make consistent the definition of "disabled veteran" for virtually all programs. Veterans' preference within the Federal sector is not 30 percent or more. It is compensable disability. Vocational rehabilitation within the VA—and this is where the irony lies—when the definition of "disabled veteran" for purposes of affirmative action was added in 1975, the definition of "disabled veteran" for purposes of vocational rehabilitation was amended down from 30 percent to 10 percent. So the Congress, in its wisdom, decided that those disabled veterans, 10 and 20 percent, needed vocational rehabilitation to prepare for employment, but somehow missed the thought or missed the idea of carrying that thought forward to allow those same disabled veterans to participate in affirmative action programs.

That concludes my testimony, Mr. Chairman. I would be happy to answer any questions.

[The prepared statement of Mr. Drach appears on p. 90.]

Mr. EDGAR. Thank you very much for your testimony and for your added point. We had a question that was dealing with that redefinition, and we appreciate your putting on the record your comment.

I have three questions for you. We all know that the current funding procedure for the disabled veterans' outreach program, DVOP, is a problem. In the draft legislation we attempted to address this problem by providing for the funding of DVOP from general revenues.

Is it your view that this will insure that DVOP is adequately funded, while at the same time protecting the Employment Service budget?

Mr. DRACH. It is hard to say that it would be insured. No. 1, we would have to work with the Appropriations Committee to make sure that adequate appropriations are provided. Last year we talked or this current fiscal year we talked about $43 million, approximate, for an efficient, effective DVOP program. I think we would have to get some cost figures for fiscal year 1983 and, you know, let's round it off to, say, $50 million.

If we could get an assurance that the $50 million would be appropriated over and above the other moneys being appropriated for the employment security system, the "normal," grants to the States, I believe that would go a long way to insure that DVOP would receive adequate funding and would supplement the existing system, which was the intent in 1977, and again when DVOP was made statutory.

We will work closely with the Appropriations Committee to try and assure that, but again, as pointed out in the draft discussion and has been pointed out here this morning, we believe that in addition to the identified money, line item, that the money has to be

administered by the Assistant Secretary for Veterans' Employment, not the Assistant Secretary for Employment and Training.

Mr. EDGAR. Are you familiar with an annual report of the Equal Employment Opportunity Commission referred to as EEO–1, which does not include any information on veterans?

Mr. DRACH. Yes, Mr. Chairman. I have seen the report on occasion. I cannot give you a complete detailed analysis of it, but essentially what it is, it is, I believe, an annual report that employers who employ 50 or more individuals must submit to the Equal Employment Opportunity Commission, giving certain work force data relative to women and minorities.

This, in turn, is used by EEOC as a management tool to determine whether or not XYZ corporation who has submitted this report is doing anything in terms of trying to recruit and advance women and minorities within its work force.

It is interesting you bring that form up. In the bill also is a draft change that would require employers to submit a quarterly report on veterans. This quarterly report was required years ago in regulation, but OMB ruled it as illegal, and therefore, I think it was in December of 1981 that the Department of Labor, through the Federal Register process, took that quarterly report requirement out.

This would put it back in by law and would get around the OMB objection of a new report. During the transition, we, DAV and the other organizations, met with Dick Shubert who is heading up the Department of Labor transition team. We were aware of the quarterly report problem, and in our transition paper, if you will, we suggested that in lieu of the quarterly report they amend the EEO–1 form to include some veteran data, which would also be used as a management tool to determine what employers are doing on behalf of veterans.

Subsequent to that written suggestion, we have made it personally to the new Director of OFCCP at least on two occasions that I am aware of, and to date I have not seen any affirmation of that form or change or whatever.

Mr. EDGAR. Would it be accurate to say that our intention is, and your intention, to have only one reporting mechanism, and if we amend the EEO–1 document to include veterans, that would be one option. The other option is to restore in law this quarterly report.

Mr. DRACH. The collected data that I believe we need, as identified in the draft discussion, no matter which way you cut it, it is going to be a new report. Whether you say it is an amendment to the EEO–1 report or it is a new quarterly report——

Mr. EDGAR. But we are not interested in having two reports?

Mr. DRACH. No, not necessarily. I do not think that is a necessity, and we also maybe want to look at the frequency of it. Do we really need a quarterly report? I am not really sure. Maybe a semiannual report or an annual report, as is currently done with the EEO–1. I think we need to maybe look at that process and piggyback on that process and think about amending the EEO–1 report.

But I want to be very emphatic that I believe we need to do one or the other. Right now the Government has no way of assessing what employers are doing. We have no measuring stick to determine whether employers are taking affirmative action. The EEO–1 amendment or the quarterly report, if you will, speaking generical-

ly, I think would go a long way to address that issue, but again, I want to caution everybody that unless somebody in an authoritative position takes that report and does something with it, then, you know, it is superfluous.

So I think we have to make sure that they do something with it.

Mr. EDGAR. In your opinion is the Office of Federal Contract Compliance taking longer to process a complaint from a veteran than from a member of another group, and why does it take so long?

Mr. DRACH. It is hard to say right now, Mr. Chairman. I do not have any current data on that. I have been informed, again, verbally by the Director of OFCCP that additional staff is being allocated to the complaint processes for the disabled veteran, Vietnam veteran, and handicapped individuals that was not allocated to those programs in the past several years.

I regrettably do not have any current data, but I do not believe that the situation has improved significantly to a point that I am comfortable in saying that I believe it has taken place. I still have complaints that are 4 or 5 years old that are still unresolved.

I believe we mentioned in February of a situation in Texas where OFCCP came right out and said the employer was in violation of the law and this person was discriminated against. I wrote to Ms. Shong, I forget exactly when. I have not had an acknowledgement of that.

Mr. EDGAR. Well, we are interested in your continued information on that issue and also your continued work on this draft proposal. I thank you for your testimony today and appreciate your taking the time.

Mr. DRACH. Thank you, Mr. Chairman.

Mr. EDGAR. Our next witness will be Mr. Wilburn H. Long, employment director of the Blinded Veterans Association.

Mr. Long, we are pleased to have you with us today.

STATEMENT OF WILBURN H. LONG, EMPLOYMENT DIRECTOR, BLINDED VETERANS ASSOCIATION

Mr. LONG. Thank you very much, Mr. Chairman.

First of all, I would like to say that this being my first time to testify before this committee, I would like to say thank you for the invitation to do so, and I would like to state that the Blinded Veterans Association has always been and still is very much concerned about the unemployment problems of veterans throughout our Nation.

In the proposed draft that we had the opportunity to go over, we would like to commend your committee and your staff on taking a very positive step to put more teeth into legislation to better the plight of veterans looking for employment. We are in complete agreement that these changes are needed, and we think that they are good, and we do give all our support to you and to your committee.

One recommendation that we did make, not in a sense that it is good or bad, but a recommendation that you take a good hard look at the residency requirement for State directors. We feel that in smaller States where the veterans' population does not authorize

an assistant State director, that when the position of State director is vacated for whatever reason, it could possibly happen that an inexperienced person could move into that position with the qualifications on paper, but not the real interest of veterans at heart. This could be a problem in many of those States.

However, there are not that many of those States, I am sure, but in the Veterans' Employment Service itself, this would also put in a mechanism, a built-in sort of a mechanism, for upper mobility for assistant State directors around the country because, as we know, the State director, I believe, goes to a grade 12, and then that is as far as he can go. But if this requirement of residency were not in the law, then a State director, having been in the Veterans' Employment Service for several years at least and knowing the job—and I do believe that the job is done very much the same in each State—again, it gives the Veterans' Employment Service experienced individuals in that position of State director.

Again, sir, we thank you very much for this opportunity to appear, and we would like to be of as much help as we possibly can.

Speaking for the Blinded Veterans Association, I thank you.

[The prepared statement of Mr. Long appears on p. 120.]

Mr. EDGAR. Let me thank you, Mr. Long, particularly for clarifying that one concern about the residency requirement by States. It is helpful to have that on the record, and any additional information that you want to submit to the committee on that issue would be greatly appreciated.

Let me just ask you one question. The employment rate for Vietnam veterans, age 25 to 29, is now about 17 percent, almost 7 points higher than their nonveteran peers. In your opinion, why is the veterans' unemployment rate so much greater than that of nonveterans?

Mr. LONG. I think that a clear-cut answer to that I do not really have, but I think you must look at the attitudes of the general public toward especially the Vietnam-era veteran. These veterans, I think, catch it because of the war. We know the words used, the Vietnam war, and I do not think they should be. However, the society in some cases does look at this, and I do not think anybody discriminates against the person because of their being a veteran, but I think in the Vietnam era, I think an unpopular war is the response that I have been getting.

But, sir, again, in the population that our organization serves, specifically the blinded veterans, disabled veterans, the unemployment is much higher, is much higher than that of the national average or that of veterans in general. With the disabled veteran there is really a problem.

Again, it is attitudes. The ability to work is there, but I guess to be given a chance is not so prevalent in our society.

Mr. EDGAR. I think your last few words are really the key words and one of the reasons we are attempting to put this draft proposal together is to give those who are unemployed, particularly the Vietnam-era veteran, a chance.

We thank you for your testimony and your analysis of the legislation, and we hope that you will continue in your supportive efforts at making sure that this committee is sensitive to the needs

of blinded veterans and disabled veterans and all of those veterans who have specific need.

Mr. LONG. Thank you, Mr. Chairman.

Mr. EDGAR. Thank you very much.

Our next witness will be Mr. John Terzano, legislative director of the Vietnam Veterans of America.

Welcome to the committee this morning. The full text of your statement will be made a part of the record.

I want to compliment you on the length and the quality of this statement in reviewing the provisions of the legislation, and I look forward to hearing your comments.

STATEMENT OF JOHN TERZANO, LEGISLATIVE DIRECTOR, VIETNAM VETERANS OF AMERICA

Mr. TERZANO. Thank you, Mr. Chairman.

I would just like to comment on a couple of things that I have heard here today.

First off, I share some of the frustration of the other people testifying from the other veterans' organizations about continually having to come back and talk about this problem.

I agree with Mr. Drach when he said that if we would have had the programs when we came back, we would not have the problems here today, and this being 1982, an election year, I can already see the rhetoric that is going to be coming out from a lot of the people here in the Congress, and it is extremely frustrating when that rhetoric does not translate into a commitment and a program.

As I mentioned in my testimony, I think it would be tremendous if we could have a $100 million to a $200 million program. I think it would be beneficial; I think it is worthwhile; I think we deserve it. But I am also realistic, and I know that that would never happen, not only in this Congress, but in this administration.

I feel that the draft legislation while it is not a panacea for all of the employment problems amongst veterans, goes a long way to solving some very, very real problems.

I want to take exception to something that Mr. Heartwell mentioned earlier, and that is in his statement he said that by establishing a grant program, you would have duplication of services. His arguments are the same arguments that were used by the Veterans' Administration back in 1979 when we were trying to establish the vet center program: That we already have the psychiatric services, et cetera, et cetera, within the VA; why do we have to have outreach centers?

I would submit that people that use those type of arguments do not know of the historical problems Vietnam veterans have had with traditional services in the agencies. I strongly agree with the example of a Pennsylvania local community-based organization and the work that they have done. Look at the record at the White House VOCS program and what the TTA program has done and what the PAVE program in Vermont has done and the St. Louis Resource Center and the Flower of the Dragon, and the Sword to Plow Shares and all the community-based organizations that we have had throughout the years who have now had to get out of the business, so to speak, because of the budget cuts.

They were worthwhile programs. They knew how to network the community, which no traditional services have ever learned how, and that is the key. They worked very, very closely with the vet center program, and now the vet center program, who by the VA's own estimates, 50 percent of the veterans going in there have employment problems, they have no place to turn to.

I just think that that grant program in your draft legislation is, for me, one of the most important parts of the proposal.

I would now be happy to answer any questions.

[The prepared statement of Mr. Terzano appears on p. 131.]

Mr. EDGAR. I think that the word that you used, networking, is important. Prior to coming to Congress, I served as a chaplain at a university in Philadelphia, and we set up a program called the Drop-In Center. It was an area where students could drop in and talk in a one-on-one peer counseling setting to other students about their problems. While the university was very successful in having a psychiatrist and psychiatric services, psychological services available, traditional clinical services provided, that drop-in service also provided a touch base for many students who would not normally use those regular programs.

Your testimony about the grant program, I think, does reinforce that particular concern.

There are a number of other particular tools that need to be put in this tool chest of opportunities for responding to the high levels of unemployment among veterans, and particularly those who served in the Vietnam war, who find themselves not only unemployed, but in some communities discriminated against for a variety of reasons.

It will be helpful if you can continue to be vigilant, as you are, about watching not only this committee but other committees of Congress as they look at training and education programs to make sure that the veteran gets considered.

I share your frustration about the political rhetoric. It is a temptation of all of us in political life to demagog issues, and I get frustrated when I see that happen on the House floor or in press releases or news releases of Members of Congress who may not be too actively involved in a particular issue, but when it moves, they take more than full credit for its process.

I think if we could come to some agreement on a draft piece of legislation, what would be far better for the veteran, particularly those veterans who are unemployed, is if we could introduce a piece of legislation and get 430 cosponsors in the House and 100 cosponsors in the Senate and get general agreement that this is an area where a major response should take place.

Clearly, we are not going to put to work all 750,000 Vietnam veterans, and clearly, the money that would be utilized by the redrafting and restructuring of this legislation would not cover all of the needs of those who were unemployed. But we have had a long time and a lot of experience in what works, and many times we see, as you have indicated in the grant programs, that things that work get terminated because they do not have a particular structure or box to put them in, and things that may not work as well either get funded or get underfunded, and they begin to work less well.

It is important, I think, for us to figure out a way to respond to your very legitimate concerns and frustrations.

One thing you might begin to do is to visit some of the offices of some of the Members on the House and Senate side who could have been here this morning.

Mr. TERZANO. That I intend to do.

Mr. EDGAR. Yes. We appreciate your coming, and I do not have any further questions. I think your statement speaks for itself.

Mr. TERZANO. Thank you.

Mr. EDGAR. Our last witness is Mr. Jeffrey Carey, legislative liaison for the National Association of Concerned Veterans.

Welcome to our committee this morning, and thank you for being patient with us in being the last witness. We look forward to hearing your statement.

STATEMENT OF JEFFREY CAREY, LEGISLATIVE LIAISON, NATIONAL ASSOCIATION OF CONCERNED VETERANS

Mr. CAREY. Thank you, Mr. Chairman, for inviting me to speak before this subcommittee.

First, I would like to apologize because I feel inadequate to deal with it at this time, since I just received the draft over the weekend, and most of our national staff have not received it yet. So my statement is very brief and general, and I have to deal with it based upon our organization's position on employment of Vietnam-era and disabled veterans.

Mr. EDGAR. I understand your problem, and I apologize for getting the draft to you as late as it came. Many of the organizations had very short notice, and I apologize to all of those groups.

Mr. CAREY. Thank you, Mr. Chairman.

However, we would like to, as the legislation progresses, produce or present further statements as I am able to get those in from our national staff.

In accordance with our position, we are very much in support of the proposed draft and most of its amendments or most of its sections. I will not make any recommendations until I receive them from our national officers.

We have always been in support of the concept of veterans' community-based organizations contracting with DOL to provide employment and training services to the Vietnam-era veterans and disabled veterans. We feel that community-based organizations are more cost-effective deliverers of service than are large Government bureaucracies.

It is also our position that the program should be administered by the Office of the Assistant Secretary for Veterans' Employment and monitored by the Veterans' Employment Service.

The NACV supports the outstationing of disabled veterans' outreach program specialists, the community-based organizations, and other Government agencies which have contact with veterans and administer veterans' programs.

Basically it has been our opinion that this subcommittee has done tremendous work to benefit both the Vietnam-era veterans, the disabled veterans, and as I heard Mr. Drach mention earlier, perhaps, you know, if we could have gotten the support of the

agencies on these programs earlier, then probably we would not be here today.

We feel from what I have been able to get from the draft that it will help to tighten up the situation to the point where the agencies will have to come up with a little bit more, should this proposal pass, and have to come up and give some real services, and of course, the NACV stands ready to help and support in any way we can to get this legislation across.

At this time I am open to any questions that you might have.

Mr. EDGAR. Mr. Carey, I do not have any questions for you. I appreciate your analysis of the legislation, even under the brief notice that you were given, and we hope that you will over the next couple of weeks take a second and a third look at that draft because we are serious about introducing a bill that has been redrafted to meet some of the concerns that were voiced today. We hope to get some additional comments from the Department of Labor and other agencies on the issue.

Let me say to you and to all of those who testified this morning that we will need your support on the DVOP program, and we will need your support on other programs that are moving in Congress that deal with the needs of the Vietnam-era veteran and putting people back to work, and we hope that some of these efforts will be successful.

This hearing now stands adjourned.

[Whereupon, at 10:35 o'clock p.m., the subcommittee was adjourned.]

VETERANS' EMPLOYMENT PROGRAMS ADMINISTERED BY THE DEPARTMENT OF LABOR

TUESDAY, JUNE 22, 1982

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT,
Washington, D.C.

The committee met, pursuant to notice, at 8:30 a.m., in room 334, Cannon House Office Building, Hon. Robert W. Edgar (chairman of the subcommittee) presiding.

Present: Representatives Edgar, Boner, and Daschle.

OPENING STATEMENT OF CHAIRMAN EDGAR

Mr. EDGAR. The subcommittee will come to order.

We anticipate a number of other members joining us. We are going to proceed in these hearings as expeditiously as possible.

In establishing an employment program for veterans in the Department of Labor, Congress declared as its intent and purpose that there shall be an effective job and job training counseling program, an employment service program and a job placement service for veterans.

This is a period of the highest unemployment among Vietnam veterans since the end of the Vietnam conflict. We must be certain that the Veterans Employment Service is functioning as contemplated by Congress. That is why I introduced H.R. 6440, the Veterans Employment Act of 1982, on May 20, 1982, the bill under consideration today.[1]

You will recall the Subcommittee on Education, Training, and Employment met on May 4 to review a draft proposal designed to provide an improved and more effective comprehensive program of job training and job placement for unemployed and underemployed veterans. The Department of Labor was unable to appear at that hearing, but we are pleased to have the Assistant Secretary of Labor for Veterans' Employment, Mr. William C. Plowden, with us today.

Most of the major veterans' organizations and representatives of the Interstate Conference of Employment Security Agencies, however, did testify at the time and shared with us their comments and concerns regarding the draft legislation. Their support and enthusiasm for this legislation was unanimous, and we took into ac-

[1] See p. 69.

count their suggestions for further improvements as we drafted the new bill, H.R. 6440.

I believe the core of the legislation is found in section 2 of congressional findings. This section lists three points: The first defines the problem we are attempting to address, seriously high veteran unemployment and underemployment.

The second states the responsibility of the Nation to address this problem.

And the third outlines the most effective structures for the Federal veterans employment assistance program. The Veterans Employment Assistance Act of 1982 is based on these points and responds to each of the congressional findings.

It is imperative that in developing this legislation we build on the experience and expertise developed in this program over the years. But it is also necessary to strengthen and expand the existing program with innovative changes and additions to the existing structure and service.

We look forward to further testimony regarding H.R. 6440 this morning.

Section 14 of H.R. 6440 embodies the language of H.R. 5209, which was introduced by Mr. Montgomery last year. This section would extend from 90 days to 12 months the time in which those in the Reserves or National Guard could be on active duty for training and still be protected under veterans' reemployment rights over a 3-year period.

The Department of Labor and Department of Defense were both scheduled to testify on this issue in May, but because of a policy dispute, did not appear. I understand this disagreement has been resolved, and official views on this legislation will be presented today.

I would like to submit for the record a series of letters on H.R. 5209 exchanged between Congressman Montgomery and Caspar Weinberger and David Stockman. These letters relate to the fact that Congressman Montgomery was seeking to have some commentary on H.R. 5209 as early as December 21, 1981. Again, on May 5, 1982, a letter was sent to David Stockman by our Chairman, Congressman Montgomery, asking for resolution of this particular issue and some official views. We did receive on May 24, 1982, a letter from David Stockman. It reads: "Dear Sonny: Thank you for your letter dated May 5, 1982, which was received at my office on Wednesday evening, May 12, 1982. I share your concern that the Departments of Labor and Defense have not provided your committee with the administration's views on H.R. 5209."

It goes on to say, "My staff learned about the May 4 hearing on the afternoon of the third," and it goes on to say, "On May 3, my staff told the Departments of Labor and Defense that they should immediately submit to us their written views on the bill. When we receive them we will expeditiously work with the Departments and other concerned agencies to formulate the administration's position on H.R. 5209, which will be promptly forwarded to you."

Without objection, these letters will be made part of the record, and it will be helpful for us to know that we finally have received the official views in the testimony this morning on that bill.

[The material referred to follows:]

MAY 5, 1982.

Hon. DAVID A. STOCKMAN,
Director, Office of Management and Budget,
Executive Office Building, Washington, D.C.

DEAR DAVE: On December 21, 1981, I asked the Secretary of Labor and the Secretary of Defense for the Administration's official views on H.R. 5209. Enclosed is a copy of the bill and a copy of each letter that was sent.

Yesterday, the Honorable Bob Edgar's Subcommittee on Education, Training and Employment held a hearing on several veterans employment and training measures, including this particular bill. Although the Department of Defense had taken a position in favor of the bill, with some modification, the testimony had to be retracted because the Department had not received clearance from the Office of Management and Budget to present its official views on the measure. Department of Labor officials did not appear even though the Department has implemented a more restrictive policy concerning reemployment rights for those who perform active duty for training with the National Guard or Selected Reserve.

We cannot carry out our duties in the Congress without the cooperation of those who have responsibility for expressing Administration policy. I can find no justifiable reason for not having the official views of the Administration on this minor bill for yesterday's hearing. The Administration has had more then enough time to establish a clear policy on this issue.

I would be most grateful for your attention to this matter. We need the Administration's views on H.R. 5209 since this bill, or some modified version, may be before the full Committee on May 11.

Sincerely,

G. V. (SONNY) MONTGOMERY,
Chairman.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., May 24, 1982.

Hon. G. V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR SONNY: Thank you for your letter dated May 5, 1982, which was received at my office on Wednesday evening May 12, 1982. I share your concern that the Departments of Labor and Defense have not provided your Committee with the Administration's views on H.R. 5209.

My staff learned about the May 4th hearing on the afternoon of May 3rd when they received a copy of the Department of Defense testimony. The Department had mistakenly sent the testimony to the Committee before it had been coordinated and cleared by this Office. The Department withdrew the testimony from the Committee so that a coordinated Administration position could be established on H.R. 5209.

On May 3rd my staff told the Departments of Labor and Defense that they should immediately submit to us their written views on the bill. When we receive them, we will expeditiously work with the Departments and other concerned agencies, to formulate the Administration's position on H.R. 5209 which will be promptly forwarded to you.

I deeply regret that the Departments were not more responsive to your efforts to find out the Administration's views on H.R. 5209. Please accept my apology on behalf of the Administration.

Thank you for calling this matter to my attention. I am sending a copy of your letter with a copy of this letter to the Secretary of Labor and the Secretary of Defense, with a request that each of them personally look into this matter.

With warm personal regards.

Sincerely,

DAVID A. STOCKMAN, *Director.*

DECEMBER 21, 1981.

Hon. CASPAR W. WEINBERGER,
Secretary of Defense,
The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: Enclosed is a copy of H.R. 5209, to amend title 38, United States Code, to provide that the period for which an employer is required to grant an employee who is a member of the National Guard or Reserves a leave of absence in order to allow the employee to perform required active duty for training is any period of up to twelve consecutive months.

The Committee would appreciate having the official views of the Department of Defense on this measure, including an estimate of the cost, as soon as possible.

Sincerely,

G. V. (SONNY) MONTGOMERY,
Chairman.

DECEMBER 21, 1981.

Hon. RAYMOND J. DONOVAN,
Secretary of Labor,
Washington, D.C.

DEAR MR. SECRETARY: Enclosed is a copy of H.R. 5209, to amend title 38, United States Code, to provide that the period for which an employer is required to grant an employee who is a member of the National Guard or Reserves a leave of absence in order to allow the employee to perform required active duty for training is any period of up to twelve consecutive months.

The Committee would appreciate having the official views of the Department of Labor on this measure, including an estimate of the cost, as soon as possible.

Sincerely,

G. V. (SONNY) MONTGOMERY,
Chairman.

Mr. EDGAR. I welcome all of you here today and look forward to your statements.

Our first witness will be the Honorable William C. Plowden, Jr., Assistant Secretary of Labor for Veterans' Employment in the Department of Labor, and, Mr. Plowden, before you begin, I would like to thank you for your attendance in Philadelphia at the multipurpose center that was established to provide for some outreach and job placement and job counseling in Philadelphia, and your presence was very much appreciated by all that were there, and we just want to thank you for coming.

Your statement will be made a part of the record. We would like you to try to cover most of the poignant points and the important information as quickly as possible so that we can move to questions.

Thank you for coming.

[The prepared statement of Assistant Secretary Plowden appears on p. 187.]

STATEMENT OF WILLIAM C. PLOWDEN, JR., ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT, ACCOMPANIED BY GEORGE GONZALEZ, DIRECTOR OF VETERANS REEMPLOYMENT RIGHTS; AND LARRY BRINKER, EXECUTIVE ASSISTANT

Secretary PLOWDEN. Thank you, Mr. Chairman. I enjoyed being with you in Philadelphia, and I appreciate that opportunity to be with you.

Mr. Chairman and members of the subcommittee, thank you for providing us this opportunity to present our views on H.R. 6440, a

bill to amend title 38, United States Code, to improve job training and job placement programs for veterans, and to describe for you the Department of Labor's authority for veterans' employment and training programs.

Let me assure you at the outset that as Assistant Secretary of Labor for Veterans' Employment my basic concern is with the effective delivery of employment and training services for veterans, particularly veterans of the Vietnam war and the disabled veterans who have had difficulty in entering the job market.

Before I discuss the provision of H.R. 6440, I would like to briefly review our basic authority under chapter 41 of title 38 and section 305 of the Comprehensive Employment and Training Act for providing employment and training services for veterans and the programs by which we deliver these services.

Congress declared that the basic purpose of chapter 41 is that there will be an effective job and job training counseling service program, employment placement service program, and job training placement service program for eligible veterans and eligible persons.

It further provides that the Assistant Secretary of Labor for Veterans' Employment shall establish and administer policies to accomplish this end.

Under CETA, Congress directs that the Secretary shall provide for an Outreach and public information program and for employment and training programs to exercise maximum efforts to develop jobs and job training opportunities for veterans.

For example, some of the programs that we have to assist veterans under existing authority—chapter 41 and CETA—include:

One, the disabled veterans Outreach program, staffed by some 2,000 veterans located in most job service offices, provides special assistance to other veterans. Unique to this program is the Outreach emphasis provided to seek out and help disabled and Vietnam-era veterans.

Two, the public job service offices across the country provide veterans with priority in counseling, aptitude testing, job development, referral, and placement in job openings. All job service offices have at least one specially trained local veterans' employment representative who works directly with veterans.

Three, State and local CETA programs which are administered by some 475 CETA prime sponsors nationwide. Regulations for CETA programs contain provisions that enable certain veterans to receive special consideration for assistance.

Four, special national programs funded with CETA dollars. The Office of the Assistant Secretary for Veterans' Employment administers a national outreach and public information program which includes demonstration and specialized projects to meet the unique employment needs of disabled, minority, and Vietnam-era veterans.

I believe that the existing authority provides flexibility to carry out the purposes that Congress has outlined, and as I note below, the administration's replacement for CETA adequately provides for veterans' programs.

As you are aware, the Assistant Secretary for Veterans' Employment is also the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all departmental

policies and procedures under chapters 41, 42, and 43 of title 38 with respect to veterans.

Programs under chapters 42 and 43 include a program of affirmative action under Federal contracts for disabled and Vietnam-era veterans, administered by the Office of Federal Contract Compliance Programs in the Employment Standards Administration and veterans' reemployment rights programs administered by the Labor-Management Services Administration.

Turning to the provisions of H.R. 6440, it appears that a basic purpose for the bill set forth in section 10 is to establish a veterans' national employment assistance program requiring job counseling, training, and placement services. The program would be administered by the ASVE through grants to qualified recipients which may include State agencies, agencies of political subdivisions of any State, and private and nonprofit organizations. Authorizations for related research, demonstration programs, and technical assistance is also authorized.

Mr. Chairman, we are in accord with the intent and the purpose of the provision, but we believe that existing law provides generally for the same breadth of program authority. Therefore, we believe that it is unnecessary.

It is our understanding that one of the purposes of this proposed program is to continue providing and to increase specialized services to targeted groups of veterans with severe employment needs. We all are aware that the administration and Congress are vigorously working on a bill to succeed the Comprehensive Employment and Training Act. The administration's original proposal contained provisions that authorize the Secretary of Labor to financially assist job training programs for veterans with emphasis on meeting the training needs of disabled, Vietnam era, and recently separated veterans. We think it is crucial for veterans to be a part of the major national employment and training bill. Mr. Chairman, we offer any assistance possible toward this end.

Another change of the bill in section 6 would have the effect of waiving the 2-year State residency requirement for appointment to Veterans' Employment Service State director or assistant for those having served as a VES State or assistant director for at least 2 years in any State.

I do not favor this provision. I believe the residency requirement is a legitimate occupational qualification for several reasons. Individuals that have been actively involved in veterans' affairs in their State possess a valuable experience that allows them to immediately assume the full range of duties required for the job. It is most important that the individual be very familiar with State economic conditions and the dynamics of the State's political and governmental processes that impact on veterans' programs. This experience and knowledge is critical for gaining an understanding and an awareness of the unique employment and training needs of the State's veterans community.

The bill contains in section 7 amendments concerning the disabled veterans outreach program. I fully endorse the provision allowing a waiver to the maximum number of DVOP staff that can be stationed at job service offices. This is the kind of program flexi-

bility needed for us to be able to respond to the needs of a given community.

With respect to requiring that DVOP funds be appropriated from general revenues, we would point out that the budget process provides safeguards to insure that funds are appropriated from preferred sources. The process allows the administration the flexibility to propose their optimal budget and Congress the prerogative of review and revision.

Mr. Chairman, the provision in section 6 providing that the Veterans' Employment Service have functional responsibility for the participation of veterans in Federal employment and training programs and of job listings, referrals, and complaints under the Federal contractor job listing program is in line with our current operation. While these programs are operationally under other offices, we work very closely in meeting our national obligations under these programs. My office and field staff will continue its functional oversight roles of all veterans employment and training programs. Consequently, this provision, we feel, is unnecessary.

Section 12 of the bill would require Federal contractors to report at least quarterly on the total number of new hires, separately identifying Vietnam-era veterans, disabled veterans and other eligible veterans. Mr. Chairman, we think that this provision would hinder our overall contractor program. As you are aware, we have suspended regulations requiring contractors to submit a quarterly hiring report. We reviewed and determined that the quarterly report was an unnecessary reporting burden. This determination was based on the fact that the report was of little, if any, assistance in determining contractor compliance with the Federal contractor job listing program. We favor an approach that stresses the benefits of listing jobs with the job service and hiring veterans. Imposing a quarterly hiring report will not assist our program objective to hire veterans. However, Mr. Chairman, we are considering some other means of accomplishing the intent of the quarterly report.

The bill in section 3 would eliminate the special disabled category, those veterans rated at 30 percent or more. This provision would have the effect of extending eligibility for the Federal contractor job listing program to veterans with 10- and 20-percent disabilities.

We believe that extending eligibility will serve to diminish the benefits of the program in several ways. The intent of the FCJL program is to provide affirmative action for employment and advancement to those groups of veterans—30 percent or more disabled and Vietnam-era, which have experienced a disproportionately high share of unemployment. The benefits measured in terms of referrals and job placements provided through the job service have steadily declined since 1979. While issue may be taken with why the decline has occurred, the facts remain that any increase to the eligible population will spread opportunities even thinner.

We also point out that any veteran, disabled or not, who has a handicap to employment could qualify for affirmative action as a handicapped individual under section 503 of the Rehabilitation Act of 1973. For these reasons, we do not favor this provision.

Section 5 of H.R. 6440 would make officials administering the veterans' reemployment rights program administratively and functionally responsible to the Assistant Secretary for Veterans' Employment.

I believe that basic organizational decisions as to where in the Department a particular agency would be most effective should be left to the Secretary. Recently the Secretary of Labor has determined that the program should remain under the Labor-Management Services Administration and administered in coordination and cooperation with my office.

Section 14 of H.R. 6440 would require employers to grant a leave of absence to Reservists required to perform active duty for training for any period not in excess of 12 months. Mr. Chairman, we believe that the provision lacks clarity as to time limitation for the training period. We would suggest that in lieu of this provision, language be added to limit the duration of active duty for training covered under the law to a period not to exceed 12 months within any 3 calendar years when determined to be necessary by the Secretary of the military department concerned. We believe that changing the law in this manner provides adequate time for such training.

H.R. 6440, section 15, would repeal the exemplary rehabilitation certificate program. We favor this provision. Study has shown that there is virtually no value in the certificate since it does not affect a person's discharge status.

Another provision of section 10 would establish a Secretary of Labor's committee on veterans' affairs. The committee is made of various Federal agencies and chartered veterans' organizations having a national employment program. We do not believe this provision is necessary since we already work closely with all of these people to receive feedback and ideas on our programs and assist with coordination of Federal programs. Providing a formal structure would add bureaucratic requirements without any added substance.

Mr. Chairman, I hope that these brief comments will be of assistance to you and the committee as you continue your work to develop meaningful and effective legislation to assist our Nation's veterans.

We are most appreciative for this opportunity, and I will be pleased to answer any questions you may have.

Mr. EDGAR. Thank you very much for your testimony. We are pleased to see how enthusiastic you are for at least two of the provisions of the bill.

My colleague from Tennessee, do you have any questions at this time?

Mr. BONER. No.

Mr. EDGAR. Mr. Plowden, I have a number of questions I would like to ask. First, I would like to ask some specific questions relating to your testimony.

On page 2 at the top of your testimony you indicate that Congress declared the basic purpose of chapter 41 is that there shall be an effective job and job training counseling service program. How effective are these programs in light of some of the budgetary restraints that we have seen over the last year?

Secretary PLOWDEN. Mr. Chairman, due to the decrease in personnel of the Job Service Employment Service there have been some problems, but I think that it has been very effective. We have statistics on just how many people have been counseled, and I feel that it has been adequate under the circumstances, but it could be improved.

Mr. EDGAR. Isn't it true that we have the highest Vietnam-era veterans unemployment since the Vietnam war?

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. If the programs are even marginally effective, should they not put a dent in that number of unemployed Vietnam-era veterans?

Secretary PLOWDEN. I believe, sir, that the biggest problem with the Vietnam era unemployment problem is the fact that they were the last people that were put on the jobs, and naturally when the cutbacks came, they had to be the first to be released, and I think that adds a great deal to the problem.

We now have to go and find other jobs for them in the private sector.

Mr. EDGAR. Do you remember any of the President's campaign promises as it related to CETA?

Secretary PLOWDEN. Frankly, I do not remember the exact promises.

Mr. EDGAR. I have this vague recollection that one of the planks of the President's campaign was a pretty cranky comment as it related to CETA and its provisions as not being very effective in providing education, training services for the Nation, and that he felt that the private sector really ought to be about that process. Do you remember any of those statements?

Secretary PLOWDEN. I do not personally know or remember the exact statement, no, sir.

Mr. EDGAR. The reason I asked the question is that on page 2 of your testimony and on page 3 of your testimony you seem to brush aside the need for our legislation because you point out on page 2 that under CETA Congress directs the Secretary shall provide for an outreach of public information programs and for employment and training programs to exercise maximum efforts to develop jobs and job training opportunities for veterans.

Isn't it true that the Senate has already passed a bill to replace CETA?

Secretary PLOWDEN. Well, they are considering one. I am not sure that it has passed.

Mr. EDGAR. Well, it has passed in committee, and it has moved to the House floor.

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. Do you know of any attempts by your office to impact on that legislation by a floor amendment or any——

Secretary PLOWDEN. Yes, sir. We have presented an amendment to include veterans. We feel that the veterans should be included in the main part of that legislation, and we have submitted an amendment.

Mr. EDGAR. Have you made the same recommendation to the House, to include that same language?

Secretary PLOWDEN. It is in the House language, I believe, already.

Mr. EDGAR. But did you make that recommendation?

Secretary PLOWDEN. Verbally, yes, sir; not in writing.

Mr. EDGAR. What was the response when you made that recommendation?

Secretary PLOWDEN. Very good. There was no opposition to it, to my knowledge.

Mr. EDGAR. Well, I guess I am having some trouble with that because it was our office and our staff that worked with Congressman Murphy to make sure that provisions emphasizing veterans' concerns be placed in that legislation, and we saw, at least from our perspective, very little movement from Department of Labor trying to influence that, and I wonder if you have any records indicating your efforts?

Secretary PLOWDEN. No, sir, I have not.

Mr. EDGAR. On page 3 of your testimony you state that some 435 CETA prime sponsors nationwide are required under regulation to provide special consideration for services to veterans. What input do you have in making recommendations on the awarding of those grants to CETA prime sponsors to choose locations where those special consideration provisions can reach the target veteran population?

Secretary PLOWDEN. We have representatives in each State and they meet with the committees, the local committees, to see that veterans are included in their plans, their work plans.

Mr. EDGAR. Do you personally have any input in those decisions?

Secretary PLOWDEN. Yes, through my State people, my State directors and assistant directors. They meet with the councils and have direct input.

Mr. EDGAR. So you have input in recommending that grants be given to programs in areas of high veteran unemployment?

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. Do you have any input in recommending that CETA grants be given to programs which have particular expertise in dealing with specific veterans and Vietnam veteran problems?

Secretary PLOWDEN. I did not get that first part.

Mr. EDGAR. Do you have input in recommending that CETA grants be given to programs which have particular expertise in dealing with specific veteran and Vietnam veteran problems?

Secretary PLOWDEN. Yes, sir, we do have, just like the Philadelphia unit we just visited.

Mr. EDGAR. Do you know how many grants like the Philadelphia grant you have had direct influence in recommending?

Secretary PLOWDEN. Well, since I have been on the job, only two, but some before this. We contracted approximately $1.3 million to seven different units.

Mr. EDGAR. Do you personally feel that the community based approach is effective?

Secretary PLOWDEN. Yes, sir, if it is carefully selected and monitored, yes, sir.

Mr. EDGAR. One of the reasons we put the language in our bill the way we did was to focus some of the attention on the effective-

ness of those community based organizations, and I am sure you are aware of that.

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. We were pleased to see on March 10 a press release that was put out by Mr. Donovan that says, "Donovan announces new training bill to succeed CETA in fiscal 1983." At the bottom of that press release it says, "The Governors will be asked to establish a job training council composed of private business management, local elected officials, vocational education, and community based organizations to provide State-wide direction for the program," and there was at least some reference and emphasis on community based organizations.

Secretary PLOWDEN. Yes.

Mr. EDGAR. I would like unanimous consent to put the entire press release of Mr. Donovan in the record.

Without objection, so ordered.

[The material appears on page 135.]

Mr. EDGAR. Let me draw your attention to the bottom of page 4 of your testimony. Actually, let's move to page 5 in the middle. You point out that another change of the bill in section 6 would have the effect of waiving the 2-year State residency requirement.

Are you clear that that is what we intended to do in the legislation?

Secretary PLOWDEN. Yes, sir. I felt that that is what it was, to waive the 2-year residency requirement.

Mr. EDGAR. Do you understand what we were—what is it, in your opinion, we were trying to do?

Secretary PLOWDEN. Make it so that we could transfer people from one State to another to fill vacancies and possibly promote some staff.

Mr. EDGAR. Are you aware that the 2-year residency is still in the bill?

Secretary PLOWDEN. Yes.

Mr. EDGAR. Are you aware that we did not simply waive the requirement. We simply allowed for some flexibility within the requirement?

Secretary PLOWDEN. Yes.

Mr. EDGAR. I am not sure I understand why you used the word "waived" in your second sentence.

Secretary PLOWDEN. The "effect of waiving" is what we used there. It would have the effect of waiving, not waiving, but the effect of waiving.

Mr. EDGAR. Are you aware that it is up to you to make the appointment of the State directors?

Secretary PLOWDEN. Yes.

Mr. EDGAR. If I understand what we tried to do in the legislation was to say that the system would continue as it is now in the sense that you could select as a State director someone from that State or someone who served for 2 years as an assistant secretary in another State. Is that how you understand the language?

Secretary PLOWDEN. Yes. I understand that, sir.

Mr. EDGAR. Our attempt was to protect those persons who are in the position, but also call on the expertise of others, and I guess I am having some trouble with your concern about this provision.

You go on to say, "I believe the residency requirement is a legitimate occupational qualification for several reasons. Individuals that have been actively involved in veterans affairs in their State possess valuable experience that allows them to immediately assume the full range of duties required of the job." It is a little bit like saying that because I represent one congressional district I would not be able to represent another congressional district with a limited understanding of that geography and the kind of makeup of the people.

Don't you think that someone who has been a State director, let's say, in a neighboring State—an assistant State director in a neighboring State for 2 years—might be as qualified as someone who lived in that other State?

Secretary PLOWDEN. They might be as qualified, sir, but the people within that State might not know him as well as someone in that State, and he might not know the business community as well and also the employment situation, the job service, and the people he has to work with.

Mr. EDGAR. Wouldn't an able person be able to adjust to that?

Secretary PLOWDEN. Well——

Mr. EDGAR. A competent individual that you yourself would select who has had 2 years of experience in another State be able to make that adjustment?

Secretary PLOWDEN. Well, I imagine he would, yes, sir, but it would take some time. The program would suffer to a certain extent.

Mr. EDGAR. VA hospital directors are not chosen on the basis of having to have lived in the State, and yet they do a pretty capable job.

Secretary PLOWDEN. Yes, sir, but they do not have contacts with everybody in the State like the State director has to have. They manage their hospital, and they just have direct contact with the people at the hospital.

Mr. EDGAR. I just spoke last Thursday night to a large group of Veterans' Administration executives, and many of them have very extensive contacts with service organizations, with veterans' groups, with mayors, with Governors, with State legislatures in order to perform the functions of their job, and they are able to do it very capably and very well, and the really good ones spend a great deal of time reaching out and touching the lives of many people within that State and learn their craft within a very short time.

Are you indicating that that is not possible in this area of veterans' employment?

Secretary PLOWDEN. No, sir, I am not indicating it is not possible, because I had very good relations with my manager of the hospital, but it takes some time to develop into a job like this, and I feel that a person from that State that is familiar with it that would probably be selected would certainly not go through that period of adjustment. They would be already trained.

Mr. EDGAR. In your past experience didn't you serve in one of these positions?

Secretary PLOWDEN. Yes, sir, the State director of South Carolina.

Mr. EDGAR. Moving from that position to the position that you are in, do you feel that you needed a 2-year residency program in the District of Columbia to have awareness of what the position that you are now holding would do?

Secretary PLOWDEN. No, sir, because I am not just dealing with the District of Columbia. I am dealing with everybody throughout the United States, more than one State.

Mr. EDGAR. But weren't you able within a very short period of time to learn your job because of the experience that you had in your own State?

Secretary PLOWDEN. Yes, sir, I was familiar to a certain extent, yes.

Mr. EDGAR. That is the very point that we are making with a slight change, very slight. That is, under traditional circumstances it would be someone from that State, and it still can be that person. But if there is a qualified person who served for 2 years as an assistant director in some other State, if that person wanted to make application for a position, they could be chosen to serve in that position.

I do not think that is radical departure from existing practice and still protects the kind of contact and the kind of experience that you have and that you want to see in these particular positions.

There has been a flurry of concern about it. Chairman Montgomery was concerned about this provision. However, some of the service organizations, including the VFW, came back and responded that they felt that the provision as we stated it in the new bill was workable, and it was not a wholesale waiving of the provision. It was simply giving you a little bit more flexibility.

Under those circumstances, do you still feel strongly that it would not be helpful?

Secretary PLOWDEN. I do not feel it would be helpful. It is workable; yes, sir, and it can be worked. I have no problem with that at all, but I just feel it would be better not to have it, sir.

Mr. EDGAR. OK. Let me ask you to turn to page 6. In the middle of page 6, provisions of section 6 providing that the Veterans Employment Service have functional responsibilities, and you go on to talk about some of the things you are already doing.

Consequently, you say at the bottom of that sentence, that this provision is unnecessary. Do you anticipate that the Reagan administration will be in power for the next 20 years?

Secretary PLOWDEN. No, sir; I do not.

Mr. EDGAR. Do you think that there may be from time to time changes in personnel and people within the system?

Secretary PLOWDEN. Yes.

Mr. EDGAR. One of the reasons we put the provisions that you already abide by into law is to make sure that there is consistency from person to person, administration to administration. It was part of the prerogative of Congress to do that.

Is that so bad?

Secretary PLOWDEN. No, sir.

Mr. EDGAR. At the top of page 6 you mention the DVOP program, and I would like to ask unanimous consent at this point to include in the record a letter which was sent to Congressman Bill

Natcher and Congressman Conte dealing with the DVOP program, requesting that a line item be provided for DVOP's over and above the expenditures for other employment services, and that letter was signed by Margaret Heckler and myself, dated June 15. I would like to include that in the record.

[The material appears on page 143.]

Mr. EDGAR. That particular letter has a number of provisions in it, and if anyone wants a copy of it, we can make that available.

Let me ask a few additional questions, Mr. Plowden. I appreciate your patience.

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. In your personal opinion, do you favor having your jurisdiction expanded to include the officials within the Department of Labor responsible for the veterans' reemployment rights program as provided in section 5 of the bill? Let me re-emphasize. In your personal opinion, do you favor having your jurisdiction expanded?

Secretary PLOWDEN. I discussed this very thoroughly with the Secretary, sir, and he made the decision to leave it where it is. He is willing to reconsider it at a later date and I will be talking to him about it.

Mr. EDGAR. What was your recommendation to him?

Secretary PLOWDEN. Well, sir, I recommended that it be put under my jurisdiction, but I abide by his decisions.

Mr. EDGAR. And you said that that may be reconsidered?

Secretary PLOWDEN. Yes.

Mr. EDGAR. Let me yield to my colleague from South Dakota, Mr. Daschle, for some questions, and then I will come back with a few additional ones.

Mr. DASCHLE. Thank you, Mr. Chairman.

Mr. Plowden, I am sorry I missed your opening remarks, but I have had a chance now to review many of them. I do not have to remind you of the very difficult time that veterans are facing in the employment sector, especially Vietnam veterans, and I guess the attitude you have is one that is laudatory in that you want to get along. You want to work with the committee, and you want to certainly work within the administration. But I sometimes get the impression that that is sort of a goal in itself, to get along, and I guess I would like to see you be more forceful in your advocacy of employment issues, especially when it comes to Vietnam veterans.

For example, in section 5, I think you can make a real strong case for having the veterans' reemployment rights program administered in your office. It seems to be logical that that is where it should be.

When you say that he is reconsidering it now, what does that mean? Can you come back to us with another analysis of his reconsideration, with that judgment, or what does reconsideration mean, in your opinion?

Secretary PLOWDEN. Yes, sir, I can come back to you with his feelings concerning it.

Mr. DASCHLE. Is it on the basis of new information or on the basis of how much trouble we give you or what?

Secretary PLOWDEN. Economy more than anything else.

Mr. DASCHLE. Economy?

Secretary PLOWDEN. Yes, sir. He felt like it would be more expensive to transfer it at this particular time than to leave it where it was for the time being.

Mr. DASCHLE. In other words, you are saying it could cost some money to move it into your office, and that is going to be the criteria.

Secretary PLOWDEN. Yes.

Mr. DASCHLE. What kind of money would it entail?

Secretary PLOWDEN. I'm not sure. We have not come to an exact figure, but we feel it will take some additional funds to move it, but not a great deal.

Mr. DASCHLE. What kind of a ballpark figure are you thinking about?

Secretary PLOWDEN. I am guessing something like a million dollars. It will take some additional personnel.

Mr. DASCHLE. Do you feel that there might be some savings in the long run in moving the office?

Secretary PLOWDEN. That is what we are considering. The Secretary asked for an opinion from the Solicitor's Office as to just what the score was, and of course, they did not recommend that it be transferred at the present time.

Mr. DASCHLE. So you are gathering that information now?

Secretary PLOWDEN. Yes, sir.

Mr. DASCHLE. And when do you expect a decision to be made?

Secretary PLOWDEN. Well, I expect it to be made within the next 2 or 3 months.

Mr. DASCHLE. Do you need legislative authority, or do you feel you can do it without legislative authority?

Secretary PLOWDEN. I feel that I can do it without legislative authority, yes, sir.

Mr. DASCHLE. But you are a strong advocate of making that kind of move; is that your interpretation?

Secretary PLOWDEN. Yes, sir.

Mr. DASCHLE. Well, I would sure like to have you inform this committee at the very earliest time as to whether or not a decision of that kind can be made favorably, and the sooner the better.

Obviously that would weigh into how quickly we move this legislation or whether we amend it or not.

On page 6 you talk about requiring that DVOP funds be appropriated from general revenues and point out that the budget process provides safeguards to assure funds are appropriated. That concerns me from a very personal standpoint.

You may recall we lost a couple of people because of that. We lost a couple of people, and as a result, our program in South Dakota has suffered, and obviously that is why the legislation, I think, directs itself to specifically funding DVOP.

Now, how can you say, on one hand, that safeguards are insured when—I am not going to put words in your mouth, but the impression I have is—you share my consternation at the way that whole process was handled, and in sharing that, you can obviously see a major flaw in the way appropriations are now handled for DVOP?

Address that. Tell me how we can have safeguards, and on the other hand, see glaring problem that exists as a result of the recent past in South Dakota.

Secretary PLOWDEN. Sir, I thank you for your interest.

Mr. DASCHLE. Excuse me?

Secretary PLOWDEN. I thank you for your interest in that. I thank you very much. I did not feel that I had authority to get into the appropriations part of the process.

Mr. DASCHLE. Well, that sounds like you are trying to get out of the question. Tell me why you think there are safeguards. This is your statement, isn't it?

Secretary PLOWDEN. Yes.

Mr. DASCHLE. It says "Statement of Mr. William Plowden, Jr., Assistant Secretary of Labor."

Secretary PLOWDEN. That is right.

Mr. DASCHLE. You got into appropriations when you said this on page 6 of your statement, so do not tell me you are going to get out of the appropriations. You tell me why you said that.

Secretary PLOWDEN. That is the policy of the Department at this time, sir. I have requested——

Mr. DASCHLE. But this is your statement, right?

Secretary PLOWDEN. Yes.

Mr. DASCHLE. Well, what is your feeling with regard to what you said on page 6?

Secretary PLOWDEN. Well, this is my feeling as of today. My request in the budget request for 1984 makes it—DVOP—a line item.

Mr. DASCHLE. Oh, so then you say a line item may be necessary?

Secretary PLOWDEN. Yes, sir.

Mr. DASCHLE. But that is not what your statement says.

Secretary PLOWDEN. No, sir. As of this day and as of this statement, this is my statement, yes.

Mr. DASCHLE. Wait. I am confused.

Secretary PLOWDEN. Well, I have to abide by the Department's position.

Mr. DASCHLE. So what you are saying then is that you think there ought to be a line item.

Secretary PLOWDEN. Yes, sir.

Mr. DASCHLE. But the Department right now disagrees with you.

Secretary PLOWDEN. Yes.

Mr. DASCHLE. And so you are towing the administration line on this until you can prevail with your point of view; is that correct?

Secretary PLOWDEN. That is correct.

Mr. DASCHLE. Very good. The last question——

Secretary PLOWDEN. Excuse me—they have agreed now to make it a line item for 1984.

Mr. DASCHLE. Oh, they have?

Secretary PLOWDEN. Yes, sir, verbally to me.

Mr. DASCHLE. Verbally?

Secretary PLOWDEN. Yes, sir.

Mr. DASCHLE. Well, that is news to me.

Mr. EDGAR. Would the gentleman yield?

Mr. DASCHLE. Yes.

Mr. EDGAR. If they verbally have agreed to make it a line item for 1984 and the unemployment rate and the need is in 1982 and 1983, and is excessive, isn't there some way to get reconsideration within the Department and an effort in OMB to make it a line item for 1983?

Secretary PLOWDEN. Well, the budget for 1983 has already been submitted, and they did not feel that it could be changed in the 1983 budget, but in 1984 we have submitted it as a line item.

Mr. EDGAR. If the Secretary of Defense were to discover that he needed one additional MX missile and the budget had already gone to press, would that stop him?

Secretary PLOWDEN. No, sir.

Mr. EDGAR. Is there no such thing as a supplemental budget and a supplemental appropriation?

Secretary PLOWDEN. There will be a request for it to be made a line item in 1983, but it is not in there at the present moment, but there will be a request for it as soon as the DVOP program is transferred under my jurisdiction.

We are in the process now, under agreement of the Secretary and the Under Secretary, of transferring the DVOP to my office.

Mr. EDGAR. Thank you. I yield back.

Mr. DASCHLE. I just point out, I guess, that that is substantially at variance with what the statement says. I am delighted with the information, but it is significantly different.

Now, on page 7, I want to ask you one last question. That quarterly report, there are a number of things about that report that I think have demonstrated its value. I have seen that report, and you say it is an unnecessary reporting burden. Maybe you can elaborate a little bit on that.

Secretary PLOWDEN. It was irritating to the business community to make this report. We found in my State when I was director that it was not good at all for us. We wanted to stay on a good working relationship with them, and we were very fortunate to have a good relationship with our business community, and we felt that the report caused a little antagonism.

Mr. DASCHLE. How many pages is this? Is this like 10 or 15 pages?

Secretary PLOWDEN. It is not a big report, no, sir. It depends on the company.

Mr. DASCHLE. Do you know how long it is? Isn't it one page?

Secretary PLOWDEN. Well, in some States it would be one page. In others it would be more than that, but now, we——

Mr. DASCHLE. And isn't the focus of this to provide us with a quarterly update on how many veterans are being hired?

Secretary PLOWDEN. Well, in the eyes of the contractors, it was something that the Government was forcing them to do, and that is one thing that they objected to; whereas if they could just call us over the telephone or something like that, it would be a different thing. But we now are in the process of trying to provide our State directors and people with a list of these people so that they can visit them and have a better relationship with them.

Mr. DASCHLE. How do we know then, on a quarterly basis, how many veterans are being hired?

Secretary PLOWDEN. Well, the ESARS [employment service automated reporting system], your monthly or quarterly report gives the number of veterans hired under the contractor program for employers listing their jobs with the job service.

Mr. DASCHLE. So, in other words, this report——

Secretary PLOWDEN. There is a system.

Mr. DASCHLE. What you are saying is that this report is duplicative of the ESARS and so for that reason unnecessary?

Secretary PLOWDEN. Yes, sir.

Mr. DASCHLE. Is there any difference between the two reports that you are aware of in terms of the information provided?

Secretary PLOWDEN. Well, there is a difference; yes, sir. There would definitely be a difference. The ESARS just gives information of those using the job service.

Mr. DASCHLE. And what does the quarterly report give?

Secretary PLOWDEN. Your quarterly report would give the individual company hiring activity.

Mr. DASCHLE. And you do not think that that is important?

Secretary PLOWDEN. Well, it may be important in some States, but not nationwide. I do not believe it accomplishes what was intended. We can accomplish review and compliance in a better way than that.

Mr. DASCHLE. How are you going to do that?

Secretary PLOWDEN. By letting the State directors, my people throughout the States, contact these employers. We will provide them reports on who has contracts.

Mr. DASCHLE. So you are going to get quarterly reports. It is just going to be different by State?

Secretary PLOWDEN. That is right; yes, sir.

Mr. DASCHLE. I see your aide nodding his head "no."

Mr. EDGAR. Would the gentleman yield?

Mr. DASCHLE. Yes.

Mr. EDGAR. Are you indicating that those reports would be verbal?

Secretary PLOWDEN. Sir?

Mr. EDGAR. Are you indicating that in some instances States could give verbal reports?

Secretary PLOWDEN. Yes, sir, but the quarterly report system will be replaced by another system. That report——

Mr. EDGAR. Can you describe that for us? You have already advocated the elimination of the quarterly report. If you have a good substitute, then you must know what it is. What is it?

Secretary PLOWDEN. Well, we are dealing with two or three different companies now to see which is going to be the best and the most effective, and if we can do it quickly. We had the old form 99 that we used to send out, which informed our people who had Federal contracts so that they could contact them. Well, that is going out, and we are dealing now with two or three concerns to see who can give us the best alternative.

Mr. DASCHLE. So you have three different reporting options that you are weighing right now to replace the quarterly report, and you are going to select one of those?

Secretary PLOWDEN. Yes, sir, we are going to select one.

Mr. DASCHLE. And are they all verbal, or would some of them be written?

Secretary PLOWDEN. No; it will be written.

Mr. DASCHLE. Are they going to be even simpler than the one-page sheet that already exists?

Secretary PLOWDEN. Yes; we hope so. That is what we are looking for, is something simple and easy.

Mr. DASCHLE. Boy, I would sure like to see it.

Secretary PLOWDEN. We will keep you advised.

Mr. DASCHLE. Would you provide the committee with a report on which option you have selected and why it is an improved option over the one that currently exists?

Secretary PLOWDEN. Yes, sir.

Mr. DASCHLE. Thank you, Mr. Chairman.

Mr. EDGAR. Thank you very much for your questions.

The proposed national employment assistance program for veterans has been labeled as duplicative to existing services being provided by the employment services. This is not intended however. To the contrary, the national employment assistance program will bring together all grant programs for veterans in one office, the ASVE, with responsibility for making the grants, monitoring the performance of the grantee, and being in a position to rereport directly to Congress on how the program is progressing.

Second, the program is intended to be complementary to, not duplicative. The grants will be targeted to groups with special problems or in need of assistance not readily available from the job service office.

Is this the way you interpret the intent of this proposed program?

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. The personnel ceiling for the employment service has been drastically reduced from 30,000 only 2 years ago to a projected level of 24,000 or less. This, of course, will mean fewer people to serve all individuals at competing groups coming to job service offices for assistance, including veterans.

It seems to me that this inevitable erosion of veterans preference alone justifies the creation of the national employment assistance program for veterans. Don't you agree?

Secretary PLOWDEN. Well, I feel that the veterans should be included in the main employment and training bill, the main effort of the Government, not a separate bill. A separate bill for veterans would cause the organizations that are antiveteran to really pounce on us.

We have a real responsibility to the veterans of this Nation, and I think we should include them in the main bills of the administration.

Mr. EDGAR. So you support the efforts such as the Murphy amendment in the House bill and the other efforts that you are pursuing in the Senate to make these kinds of provisions as part of the main legislation?

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. Should it also be in title 38 of the United States Code?

Secretary PLOWDEN. Yes.

Mr. EDGAR. Would you introduce the person who is with you this morning just for the record?

Secretary PLOWDEN. My executive assistant, Mr. Larry Brinker, Mr. Chairman.

Mr. EDGAR. Thank you.

In testimony before this subcommittee in May, Ron Drach of the DAV testified that the Director of the OFCCP had verbally in-

formed him that the additional staff was being allocated to handle complaints from disabled and Vietnam-era veterans. Do you know if additional staff was, in fact, allocated; and if so, has the processing time to review these complaints been reduced?

Secretary PLOWDEN. Mr. Chairman, we have Mr. David Brigham of OFCCP [Office of Federal Contract Compliance Programs]. Could I refer that question to him, sir?

Mr. EDGAR. Yes. Could he come forward and identify himself?

Mr. BRIGHAM. I am Dave Brigham from the Office of Federal Contract Compliance Programs.

Mr. EDGAR. Please be seated.

Mr. BRIGHAM. I am in the branch of veterans and handicapped workers program policy. I have been with the program from its inception.

The Director of OFCCP has indicated that a higher percentage of the resources available to OFCCP will be utilized for the handicapped and veterans' program. That is a public commitment she very strongly supports and she is directing her efforts to that end. I think we are going to see some additional success in clearing up overdue complaints. There has been a heavy backlog.

Mr. EDGAR. Has any additional personnel been hired to this point?

Mr. BRIGHAM. Not additional personnel. There has been some additional transferring of responsibilities within the present staff, but no additional staff hired.

Mr. EDGAR. Is there any reduction of the number of complaints?

Mr. BRIGHAM. Yes. There has been a special task force that has worked on that for the last 4 months, and they have reduced considerably the backlog by our national office review.

Mr. EDGAR. When do you anticipate that the verbal commitment will be kept?

Mr. BRIGHAM. I would say within the next 6 months.

Mr. EDGAR. Thank you.

Public Law 96-466 established the Veterans' Advisory Committee on Rehabilitation. Included as an ex officio member of that committee is a representative of the Assistant Secretary of Labor for Veterans' Employment. Who is your representative on this committee, and did this individual attend when the committee recently met?

Secretary PLOWDEN. Mr. Vince Pagano, my assistant, Mr. Chairman. Would you like for him to stand?

Mr. EDGAR. Yes.

Secretary PLOWDEN. He is not here at the moment, sir.

Mr. EDGAR. Do you know if he attended the most recent meeting?

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. What percentage of veterans' applicants in State employment offices are placed in jobs lasting longer than 150 days?

Secretary PLOWDEN. I do not have that figure with me. I can supply it to the committee.

[The Department of Labor subsequently submitted the following information:]

For fiscal year 1981, 17.2 percent of veteran new and renewed applicants were placed in jobs lasting longer than 150 days.

Mr. EDGAR. Would you also supply for the committee what is the average wage paid to the veteran who is placed in a job and what are the statistics for nonveterans?

Secretary PLOWDEN. Yes, sir.

[The Department of Labor subsequently submitted the following information:]

For fiscal year 1981, the average wage paid veterans placed by the Job Service was $4.74; for total applicants the average wage was $4.26.

Mr. EDGAR. It is our understanding that many individuals in all levels of employment service do not have a reasonable understanding of the veterans' preference requirements. What kind of staff training regarding veterans preference is now provided?

Secretary PLOWDEN. Well, we have instructions to our State directors, and our State directors provide this information to the local job service offices, and to the LVER's through the LVER training conferences each year. We have a training conference each year in each State, and that is the way we provide the training.

Mr. EDGAR. Are you satisfied with the way in which the training is being provided?

Secretary PLOWDEN. Yes, sir. I think it is very effective. It may be weak in some areas, but I think it is effective generally.

Mr. EDGAR. Have you made any recommendations for improvements?

Secretary PLOWDEN. Not recently, no, sir.

Mr. EDGAR. Have you yourself sat through any of the sessions for training?

Secretary PLOWDEN. Yes, sir. I have just attended North Carolina, Tennessee, and Georgia, and I will get around to other States as time goes on. I am going to Wyoming next.

Mr. EDGAR. I am glad to have you in the Northeast and Midwest region of the country spending some time in our motels and using our airplanes.

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. Could you give us an update on the vacancies now existing in the Veterans' Employment Service?

Secretary PLOWDEN. Yes, sir. I have only been able to fill two vacancies due to the fact that the supplemental appropriation has not been passed. I am waiting. I have jobs posted, so that we can fill the other vacancies as soon as funds are available.

Mr. EDGAR. Once the supplemental is passed, how many people do you think you will be able to place?

Secretary PLOWDEN. I believe it is 17.

Mr. EDGAR. Will that include South Carolina?

Secretary PLOWDEN. Yes.

Mr. EDGAR. Regarding the Secretary of Labor's Committee on Veterans' Affairs, we believe that since you are already making contact with groups who compose this committee, the formal structure will be no burden to you. This is the committee provided in our legislation. We simply want to assure that those who follow you will make as much of an effort as you have made.

Don't you think that makes sense, to perhaps nudge people or successors of yours to proceed in the same way?

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. Thank you.

Mr. Plowden, we have covered a number of areas. Let me ask you just two or three more general questions, and then we will make sure you are excused in a timely fashion.

You have been in office for how long?

Secretary PLOWDEN. Since December 11.

Mr. EDGAR. Do you have any recommendations that you would want to make personally to this committee or observations that you could give this committee based on your experience over the last 6 months in office?

Secretary PLOWDEN. Well, I would like to commend the committee for the interest that they have constantly shown in the veterans and the welfare of the veterans, I would like very much to continue my contacts with the committee, the members of the committee, and secure advice and help from them.

I have no specific recommendations today. I commend you for the bill which you are presenting.

Mr. EDGAR. What has been the biggest frustration in the last 6 months?

Secretary PLOWDEN. Waiting for money, funds, to do something with. My people cannot travel. My people have to sit, and we are supposed to be a traveling agency, and we have got $1.1 million in a supplemental that we still cannot get, we've been waiting since December. That is my frustration.

It is a transfer of funds, not a new appropriation.

Mr. EDGAR. How much opportunity do you get to communicate with the Secretary?

Secretary PLOWDEN. Any time I want to. I am perfectly free with him.

Mr. EDGAR. How much opportunity have you had to communicate with the Veterans' Administration?

Secretary PLOWDEN. Any time I need to. I have no problem there either. Mr. Nimmo has been very kind to me.

Mr. EDGAR. How about with the Office of Management and Budget?

Secretary PLOWDEN. I have not personally been dealing with them, but my people have frequently, yes.

Mr. EDGAR. Do you have any specific observations about the way in which your office has been structured that you would want to share with the committee at this point?

Secretary PLOWDEN. No, sir. We are going into a reorganization. We are about to submit it. It will be submitted very quickly now, and the committee will receive a report on that, and I think once this reorganization goes into effect, we will be able to do a better job.

Mr. EDGAR. Let me ask you this question. You have testified this morning with some objections to this legislation that is pending before the committee.

Secretary PLOWDEN. Yes, sir.

Mr. EDGAR. If we were to mark it up in its present form, and if the Congress was to see fit to pass it by a majority of the House and a majority of the Senate, and if the President was to sign it, albeit reluctantly if he is opposed to certain provisions, would you be able to live under the provisions of this particular legislation?

Secretary PLOWDEN. Absolutely, sir. Yes, sir.

Mr. EDGAR. Thank you very much.

Mr. Daschle, do you have any additional questions?

Mr. DASCHLE. I have no other questions.

Mr. EDGAR. Thank you very much for your testimony this morning.

Secretary PLOWDEN. Thank you very much, sir.

Mr. EDGAR. Our next witness will be Mr. Dennis Shaw, Principal Director, Manpower, Reserve Affairs and Logistics, Office of the Assistant Secretary of Defense.

Mr. Shaw, it is a pleasure to have you here this morning. We will make sure, without objection, that your total statement be made a part of the record, and we look forward to your testimony.

[The prepared statement of Mr. Dennis R. Shaw appears on p. 197.]

STATEMENT OF DENNIS R. SHAW, PRINCIPAL DIRECTOR TO THE DEPUTY ASSISTANT SECRETARY OF DEFENSE (RESERVE AFFAIRS), OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (MANPOWER, RESERVE AFFAIRS AND LOGISTICS)

Mr. SHAW. Thank you.

Mr. Chairman, members of the committee, I thank you for giving me this opportunity to testify before you today on the subject of reemployment rights for Guard and Reserve members who are involved in certain categories of active duty for training. This is a subject of special importance to members of the Reserve components.

I would like to address the justification for the reemployment right, the circumstances under which it might be invoked and the magnitude of the problem.

Guard and Reserve forces of the United States are a major ingredient in both the strategy of national defense and the day-to-day training and operation of our Armed Forces. The total force that began as an idea in the early 1970's is a reality in 1982, so much so that the contingency plans to counter aggression in both hemispheres involve the commitment of Reserve forces in the same time frame and as equal partners with regular military units.

In order to be responsive to this tasking, it is necessary for Guard and Reserve members to be as highly trained and capable with their equipment and tactics as their full-time counterparts.

While it is unrealistic to say that all Reserve component members achieve this level of readiness in a peacetime environment, there are selected individuals and units that, because of their early commitment, must be ready to fight whenever they are called. The balance of guardsmen and reservists train to achieve the best possible readiness prior to mobilization so that their postmobilization training will require minimal time and effort.

For reservists, the preponderence of this training takes place within the framework of initial active duty for training, IADT, weekend drills and annual 2-week active duty training periods. Prior service members typically bring advanced skills with them that they have acquired while on active duty.

The areas where the reservist may require additional training outside the time allocated for IADT, drill weekends and the 2-week annual training periods fall into several categories, the most typical being unit conversions, refresher, and proficiency training, career development, and exercises.

All of the active duty situations described herein represent legitimate demands on the time of the Guard and Reserve members and contribute significantly to the national defense. Any one may involve time away from civilian employment, and it is that additional time away from civilian employment that is at issue.

A reasonable and responsible employee will request permission from his employer if Reserve component duty requires additional time away from work. Our experience has shown that most informed employers will take into consideration the legitimacy of the request and make a good faith effort to give the employee the required time off.

The problem arises when the employer agrees to let the individual take part in additional active duty training and then fails to reinstate the individual on his return to work. It is that circumstance where the reservist must be protected by the law.

A preliminary survey of Guard and Reserve components indicates that the magnitude of the problem with respect to the total labor force is not great. The Guard and Reserve send approximately 6,000 people annually to technical schools of greater than 90 days' duration. Undergraduate pilot training, UPT, for the Army takes an average of 157 days. The Army had budgeted for 52 officers to attend UPT in fiscal year 1983. The Air Force Reserve and Air National Guard UPT takes approximately 300 days, and they have budgeted for approximately 450 officers to take part in this training in fiscal year 1983. Many of these individuals will enter this program directly from college, and their impact on business and industry will be negligible. In proportion to the over 900,000 drilling Guard and Reserve members, those involved in schooling are scarcely significant to the labor force of the Nation. On the other hand, the impact these trained individuals have on the readiness of Reserve forces is highly significant. Technological expertise in the degree demanded by modern weapons systems cannot be attained without this type of formal schooling. Under the Department of Defense interpretation of current law, any of these individuals represent potential litigation should their right to reemployment become an issue. Any policy that would deny full legal protection to all Guard and Reserve members without recourse to appeal represents a serious concern to individuals considering Reserve or Guard membership or reenlistment.

A significant problem with any policy that operates to unreasonably restrict or circumscribe the participation of guardsmen and reservists, aside from the adverse impact on readiness, is that it sends a danger signal to those service members that, at a time when their skills and dedication are increasingly vital to the national defense, the Government may not assist them in protecting reemployment rights guaranteed by the Congress.

Of equal concern is the potential signal to employers that participation in Guard and Reserve training activities is less important today than it has been in the past.

The plain language of the current reemployment rights statute does not specify any maximum training period protected under the law. However, in two recent cases, *Peel* v. *Florida Department of Transportation*, a 1977 case, and *Lee* v. *the City of Pensacola*, a 1981 case, the fifth circuit court of appeals examined the legislative history of the statute and, at a minimum, has raised the spectre that the reemployment rights statute's protective coverage is limited to tours of active duty for training of 90 days or less.

We believe the judicial decisions made in the *Lee* and *Peel* cases should not be interpreted as establishing a general rule that active duty for training tours in excess of 90 days are not within the protection afforded by the current statute.

The danger presented by the most recent restrictive interpretations of the current reemployment rights statute is that they do not account for the very real fact that military training practices and requirements have changed substantially since enactment of the original reemployment rights statute in 1960. Much greather emphasis has been placed on the Reserve components under the total force policy.

Now, that the Reserve components are depended upon to furnish a major part of our overall forces in the event of large-scale international hostilities, the training of those elements, of necessity, has been greatly increased. Thus, whereas in 1960 active duty for training tours almost never exceeded 90 days of duration, tours in excess of that period are now commonplace.

For this reason, I believe legislation such as H.R. 5209 and section 14 of H.R. 6440 is timely and needed. However, I would like to apprise this committee that the language in both bills, proposing to amend the first sentence of section 2024(d) of title 38 by inserting the words "for any period not in excess of 12 months" after the words "active duty for training," may be too broad.

I am concerned that this language could be construed as permitting back-to-back 1-year absences from civilian employment. Such an interpretation might have the effect of signaling employers, upon whose cooperation and support we heavily rely, that it might be disadvantageous to employ members of our National Guard and Reserve.

And, in light of the very real need to strike an equitable balance between the increasing training needs of the Guard and Reserve forces and the interests of civilian employers, the Department of Defense has prepared substitute language as follows:

By amending section 2024(d) by inserting after the first sentence, and I quote the following:

> Subject to the provisions of this section, an employer is required to provide a leave of absence for the period stated in the military or naval orders that are provided such employer before the commencement of the leave of absence and for such additional period as may be required to complete the training specified in such orders. The duration of active duty for training covered under this section shall not exceed 12 months within any 3 calendar years if initiated voluntarily by an individual Guard or Reserve member and determined to be necessary by the Secretary of the Military Department concerned. However, nothing within this section shall be construed to preclude voluntary participation in active duty for training in excess of 12 months if such participation has been approved by an employer.

We believe this substitute language will allow employers to know better what are the limits of the period of time involved for addi-

tional active duty for training, while at the same time permitting the needed degree of flexibility for the many types of training that require the protection afforded by chapter 43 of title 38.

The substitute language would also permit an extension of the stated period in order to permit completion of a training program that might extend beyond what initially was estimated.

By defining reemployment protection to encompass 12 months within any 3 calendar years, the substitute language would provide a greater degree of protection to the employer and thereby reduce the likelihood the Guard or Reserve membership might be prejudicial to an employee.

Also, the language that provides reemployment protection to an employee who engaged in active duty for training in excess of 12 calendar months with his employer's approval precludes the employer from citing this statute as the basis for denying the individual reemployment at the end of a mutually agreed upon leave of absence in excess of 12 months.

In conclusion, Mr. Chairman, I thank you and the members of this committee for your assistance and your interest in the Guard and Reserve forces of our Nation. It is my belief that your support of a strong Guard and Reserve for our regular forces has been a key factor in maintaining an effective deterrent posture and combat ready total force should we be required to employ it in battle, and I ask for your continued support.

I have abbreviated my remarks as they appear in the prepared statement, and I am now prepared to answer, to the best of my ability, any questions you may have.

Mr. EDGAR. Thank you very much.

At this time I would like to ask unanimous consent to include in the record a series of letters from the Veterans of Foreign Wars, the State of Alabama, the American Legion, and a group of other letters which relate to the hearing subject.

[The material appears on p. 140.]

Mr. EDGAR. Mr. Shaw, your statement is very comprehensive. Your summary was very helpful. Let me just be clear for the record.

As I understand your statement, the legislation as proposed and your response to it indicate (a) that there is a problem with existing law.

Mr. SHAW. Yes, sir.

Mr. EDGAR. And (b) if we were to substitute the language that you have recommended for the provisions in our bill, that it would satisfy the present need for the Reserves and National Guard.

Mr. SHAW. Yes, sir. I believe so, based on my conversations with the various chiefs of the Reserve and Guard components. They feel that this amended language would satisfy their needs.

I am not so sure that it will satisfy their needs for all time, but in the foreseeable future it would.

Mr. EDGAR. Have you heard any reports that reemployment rights provisions for reservists is a factor in layoffs in some plants across the Nation?

Mr. SHAW. Yes, sir, I have. I had heard early this week or late last week that 35 individuals in the State of Washington had been laid off by the Boeing Corp. as a result of these individuals partici-

pation in Reserve and Guard training activities or exercises that exceeded a 90-day duration. I have discussed this matter with our State chairman in the State of Washington for employer support of the Guard and Reserve, and he assures me that no one has been laid off.

A list contaning the names of approximately 35 individuals who may be laid off was prepared, pending a resolution of a dispute of which you are aware between the Department of Labor and the Department of Defense, and which we have now resolved. I understand that two of these individuals recently returned from training, and they had not yet been returned to their former job. There was a lapse of approximately 27 or 30 days. That problem has been remedied due to the efforts of our State chairman, and those two individuals will be reemployed today.

Mr. EDGAR. Thank you. It would be helpful if you could inform the committee at such times in the future over the next several months if you hear additional reports of people who are Reservists or National Guard persons losing their positions because of the present provisions of law.

Mr. SHAW. I would be happy to, Mr. Chairman. There is a significant amount of turbulence across this Nation resulting from a misunderstanding of what protection is afforded by the current statute, and I accept your offer with a great deal of pleasure.

Mr. EDGAR. Are you aware of the legislation that had been pending before this committee and passed and pending before the Armed Services Committee to create a new GI bill?

Mr. SHAW. Well, I was aware of it; but I am not familiar with it.

Mr. EDGAR. Do you support a new GI bill for the All-Volunteer Military?

Mr. SHAW. I cannot answer your question, sir. I have not studied the provisions, and I am just not familiar with the bill.

Mr. EDGAR. We would be glad to give you reams and reams of paper on it.

Mr. Shaw, your statement, again, has been very comprehensive, and we really appreciate it. From my point of view, and I will just speak for myself, I have no problems with simply taking the language that you have prepared and substituting it for the language that we had in our bill. We think it states it more clearly than our language states it, and we appreciate the work that you and the Department of Defense and Department of Labor, in coming to some agreement, have done on this testimony and on this legislation, and we hope that we can see this move toward passage.

Mr. SHAW. Thank you, Mr. Chairman. If I might just add, that my boss, Dr. Edward J. Philbin, who is the Deputy Assistant Secretary of Defense for Reserve Affairs, is, in my opinion, one of the most dynamic and forceful advocates of the Guard and Reserve forces. I am very happy as his Principal Director to support him in that effort, but we could not do the job without the support that we have received from this committee, the full committee, and the other committees and Members of the Congress, and we are deeply appreciative.

Mr. EDGAR. We appreciate that. Hope you have a pleasant day.

Mr. SHAW. Thank you, sir.

96-588 O—82——5

Mr. EDGAR. Our next witness will be Mr. Ronald Drach, National Employment Director, Disabled American Veterans.

Welcome to this hearing again on this issue. Ron, because of the pressure of time, we hope that you can summarize your comments, receive a few questions that we have.

You testified extensively at previous hearings. We know your strong views and feelings, and we hope that this will give us an opportunity to have additional dialog on the issue.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you very much, Mr. Chairman.

On behalf of the DAV, I would like to take the opportunity to thank you for allowing us to appear before you today to discuss H.R. 6440. I will try to be brief, and as my colleagues mentioned to me as I was leaving the back of the room, I will try not to make a fool of myself.

I sat here this morning and listened to Mr. Plowden's testimony on H.R. 6440, and I have to conclude, Mr. Chairman, that if this administration is proveteran, I do not want to be around when the antiveteran administration takes over.

I would hope that the hearing record on today's proceedings can be kept open for a little bit. Normally it is, and I understood Mr. Plowden to say that he would submit some additional information based on questions he did not have information or answers to, and I did not get a chance to read his entire statement. I understand it was delivered late last evening, but from what I heard, I believe it is imperative that the hearing record be left open at least for a couple of days to give us an opportunity to read his prepared text and to comment, point by point, because I believe for every point that he made as to why something should not be enacted in this bill we can make at least one point to counter that that would be a better reason as to why those provisions should be passed.

I am not going to go through my prepared text because it is going to be made part of the record,[1] but I would like to try to respond to some of the issues that Mr. Plowden raised, and I would ask your indulgence because I took rapid notes trying to keep up with his testimony, and I may jump around a little bit, but I would like to comment on some of the things that were talked about.

It is interesting you mentioned the unemployment rate. It is kind of hard to compare the record of unemployment, say, 10 years ago with today because of the age shift or the population shift. But back in May 1972, the 20- to 34-year old Vietnam-era veteran had an unemployment rate of 6.8 percent.

Now, I talked with an economist at BOS, and he said I am on safe grounds by saying that that 20-to-34 population has now shifted to the 25-to-39 age group. The unemployment rate for May 1982 for that group is 9 percent, about 33 percent higher than it was a decade ago. That is, indeed, sad.

There was some talk about duplication. Well, if it is going to take duplication, then we are all for it, although in our prepared text

[1] See p. 161.

we do indicate that we are not for duplication. We do not want to see money wasted, but if that is what it is really going to take, if it is going to take a duplicate effort to employ these Vietnam veterans that have been unemployed and continue to be unemployed this long after the war is over, then maybe duplication is the answer.

The residency requirement is perhaps the most controversial portion of H.R. 6440 or the change in the residency requirement. The DAV's official position by virtue of our national convention last year is to oppose any changes to that residency requirement. But I feel compelled to make some comments on it.

One is that I am prepared to go to our national convention next month with a resolution from our national employment committee to bring before the body to give us the flexibility to take a look at that residency requirement with the view toward—maybe change is not the right word, because as you pointed out, it is not going to take away the authority to appoint those individuals who have 2 years' residence, but it is going to expand the universe of the population who can qualify.

Mr. EDGAR. May I interrupt you at this point? It is your interpretation that H.R. 6440 does not really waive the requirements. It expands the requirements——

Mr. DRACH. That is correct.

Mr. EDGAR [continuing]. For this particular selection?

Mr. DRACH. That is correct.

I would like to make another point on that—well, a couple of points. Mr. Plowden indicated in his prepared text that the residency requirement is a valid job qualification. I am not sure that I really understand that. I do understand that there are some good reasons as to knowing the local economy and the local politicians and some of the other factors, but I personally take offense to the issue because I live in Virginia and have lived there for 10 years, but under his proposal I would not be qualified to be a State director for veterans employment in the District of Columbia. Yet the DAV department commander who has lived here for 2 years who does not know one thing about veterans employment would be qualified. I do not understand that at all. I would not even be able to compete against somebody who does not know a thing or has any experience in veterans employment.

The change that is proposed in H.R. 6440 would somewhat alleviate that problem.

Additionally, section 2914 of title 38, United States Code, requires Federal departments and agencies, and that, of course, includes the Department of Labor and the Veterans Employment Service, to employ and advance in employment, and I underscore "advance in employment," qualified disabled and Vietnam-era veterans.

With the current residency requirement it is almost impossible to advance in employment certain Vietnam-era veterans who are assistant State directors because they cannot locate or relocate from one State to another. So in many cases, these assistant State directors are locked into that position if they decide to stay there for the rest of their careers.

Mr. Plowden indicated in his statement about 2,000 DVOP's. I have to question: How many of those 2,000 are physically on board, have been named, and are being paid to carry out those functions?

He mentioned the CETA regulations over the years. CETA has a history in and of itself. Veterans have not been served by CETA, and the regulations, as weak as they were, did not satisfy that.

He also mentioned the full-time LVER's. How many of those are still in place? As you indicated, the budget has cut it severely.

You also asked some questions to which Mr. Plowden did not have any answers, but I would like to offer from some of the data that he talked about, the ESARS data, for the period ending September 30, 1981, only 14 percent of veterans seeking employment were placed in jobs lasting over 150 days.

The veterans organizations can get this information. I do not understand why the Assistant Secretary cannot get it.

The average hourly wage was $4.74, and within that $4.85 was for Vietnam-era veterans and $4.68 for disabled veterans. Only 1,000 veterans were placed in apprenticeship programs, and of that only 28 disabled veterans.

These data are readily available, if Mr. Plowden just wants to look for them, and he could have his staff dig them out.

He mentioned the administrative proposal to replace CETA. As you indicated also, what have they done with the Quayle-Kennedy bill, if you will? There is no provision for veterans in there. Are they going to propose an amendment to that?

I think he did indicate that they are going to propose an amendment, but it is my understanding that that proposal has only gone as far as OMB. It has not come to the Senate yet.

They talked about the job listing, the quarterly reports. Boy, if he ever wanted to mix up apples and oranges, bananas and pears, he sure did it there with quarterly reports and ESARS and verbal reports versus written reports.

The quarterly report as in H.R. 6440 is not duplicative of the ESARS. ESARS is an administration, is a State agency reporting mechanism that reports the number of veterans placed and has a subcategory of the number placed in mandatory job listings. The quarterly report in H.R. 6440 would require employers to validate or justify their steps of affirmative action to hire disabled and Vietnam-era veterans.

We have no mechanism right now to assist the employer's support or the employer's response to that requirement.

He mentioned that the quarterly report was not helpful in the past. Of course it was not. They did not use it. They never enforced it. So if you do not use something, if you do not enforce something, how can it be helpful?

It is a good management tool; it is needed. We would strongly urge your retention of that provision in the law. It is not duplicative.

He also mentioned that they are opposing the change in definition of disabled veterans. I mentioned that in my testimony, but he also indicated that the 10- and 20-percent disabled veterans are already handicapped individuals. Well, yes, we are handicapped by virtue of the definition, but we got our handicaps a little bit differ-

ent than other people did, and we think we deserve a special niche in society to address the needs of those disabled veterans.

He also continually mentioned that he has verbal assurances, he has verbal this, verbal that, verbal this, verbal that. You know, when are we going to see something in writing?

He has been getting a lot of assurances from Secretary Donovan that this, that, and the other thing is going to happen. Therefore, there is no need to legislate. Based on what I have been reading in the papers, Mr. Chairman, I am not sure that Secretary Donovan is going to be around much longer, and if that is the case and then his successor comes in, are we going to start all over again with verbal promises?

Again, you know, this administration is almost 2 years old. We are getting verbal promises. They are talking about reorganization. When are we going to see it?

Page 9 of his testimony, he says there is no need for the Secretary's committee since they work closely with us already. OK. Two weeks ago today Mr. Plowden had a conversation with Jim Bourie, my counterpart over at The American Legion. I am not going to attempt to give an exact quote, but let me give you my version if it.

The conversation evolved around a request for a meeting of the veterans organizations with Mr. Plowden to discuss S. 2036, the son of CETA, if you will. Mr. Plowden indicated to Mr. Bourie that for all intents and purposes, he was too busy the rest of that week and the following week to meet with the veterans organizations.

That prompted a June 10 letter from our organization to Mr. Plowden asking for a copy of his schedule. Now, if he is so busy that he cannot spare an hour with the leaders of the veterans organizations to discuss a major employment provision, how closely is he working with us? I just have to question that.

He talked about, again, verbal commitments, verbal assurances, transferring DVOP. All he has to do is read Public Law 96-466. DVOP was given to the Assistant Secretary of Labor for Veterans Employment. It was not given to the Assistant Secretary for ETA or for LMSA. The Assistant Secretary of Labor shall be responsible for DVOP. What are they waiting for?

Mr. Plowden talked about the transfer or not transferring OVRR. The best analogy I can think of perhaps on the spur of the moment is this committee giving up part of your jurisdiction to the Subcommittee on Compensation and Pension. To me it is a bad management decision to leave the functions of OVRR in LLSA.

Dave Brigham from the Office of Federal Contract Compliance Programs came up and talked about the additional staff. Six more months? Six more months? You know, that verbal agreement given to me by Ms. Shong was probably at least 6 months ago. What are they doing? They established a task force. For that I am thankful, but she told us they were going to, you know, dedicate more staff. Six more months we have to wait.

Last, Mr. Plowden talked about not being able to fill vacancies because of a lack of supplemental appropriations. At the risk of belaboring this issue, Mr. Chairman, the law says, and I will paraphrase it, that there shall be—shall be, not may be—shall be a State director for veterans employment and an assistant State di-

rector for veterans employment within the population served. It does not say anything about appropriations necessarily.

Granted, I understand the money problem. However, we believe that it is incumbent on the Secretary of Labor to find that money. In the meantime, they are in violation of the law by saying or by filling any other position that is vacant in the Department of Labor that is not mandated by Federal law, by leaving those vacancies go on. Some of them date back to 1977.

Are we waiting for a supplemental appropriation since 1977?

In conclusion, I just want to thank again this committee for having these hearings, and I would hope that the record will remain open for a couple of days to give us an opportunity to make further comment.[1]

Mr. EDGAR. Let me assure you that the record will remain open for a reasonable period of time over the next few days to receive additional comments and challenges to statements that were made by any of the witnesses that were here and additional information that can be provided for the record.

In that respect, I am going to ask two questions of you to be answered for the record, and we will make these questions available to you rather than asking them at this time.[2]

Despite Mr. Plowden's objections and OMB's objections to the bill, it was my impression at the very end of Mr. Plowden's statement that he could and would support the legislation that is before us if, in fact, the Congress of the United States passed it and it was signed by the President into law, and I was pleased to hear that statement, unscored again with this comment, that we plan to continue and proceed to try to resolve some of the differences that you have outlined.

These are difficult times, and as you indicated, with the verbal commitment you got 6 months ago to take 6 more months is a little silly. I think all of us both within the administration and within Congress really want to respond and do something practical and efficient and effective for Vietnam-era veterans who are suffering tragically high, chronically high unemployment, and yet it has been very frustrating to see not only attempts that are already in law frustrated, but attempts to change the law or improve the law also frustrated by this administration.

No administration is perfect when it comes to responding to the needs of veterans, but it seems to me, and I think you would agree with this statement, that it is about time, particularly given the pressures of our high unemployment and the needs for Vietnam-era veterans, to do a significant job in trying to place the large numbers of unemployed veterans into productive jobs that last for more than a few days and more than window dressing for them.

I applaud your leadership over the year in helping us to focus on the issue and look forward to your answer to these questions and other questions in the future.

Mr. DRACH. Thank you very much.

Mr. EDGAR. Thank you for your statement.

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[1] See p. 171.
[2] See p. 214.

[The prepared statement of Mr. Ronald W. Drach appears on p. 161]

Mr. EDGAR. Our next witness will be Mr. Peter Currier, deputy national service and legislative director of AMVETS.

Mr. Currier, your full statement will be made a part of the record. We ask that you might summarize that statement, picking out the specific points that you want to emphasize for the record.

[The prepared statement of Mr. Peter B. Currier appears on p. 153.]

Mr. EDGAR. I will also say at the outset I am going to submit a couple of questions to you for the record to be answered rather than have them answered verbally at this point, given the pressure of time and the fact that I have another hearing to attend.[1]

STATEMENT OF PETER B. CURRIER, DEPUTY NATIONAL SERVICE AND LEGISLATIVE DIRECTOR, AMVETS

Mr. CURRIER. Certainly, Mr. Chairman, and we also would appreciate the opportunity to submit some comments on Mr. Plowden's statement as we had not had the opportunity to look over his statement, and, again, we would like to study it and then submit some comment on it.[2]

Good morning, Mr. Chairman, and on behalf of AMVETS, I thank you for the opportunity to comment on H.R. 6440. As you indicated, our statement will be made a part of the record, but we would like to emphasize that we view favorably the provision of H.R. 6440 which provides for the allowance of grants to appropriate grantees under other Federal employment and training programs.

We know that there are many community based organizations who, with proper funding and guidance, can and will adequately address local veterans employment problems. Currently they lack any commitment from those in a position to provide the resources, and as such, their hands are bound.

AMVETS feels that H.R. 6440 provides this commitment.

Mr. Chairman, AMVETS commends you and the members of the subcommittee for acting responsibly on the issue of veterans employment. Your assumption of a leadership role in this area is refreshing, since others apparently have turned their backs on veterans by allowing employment programs to die.

Mr. Chairman, I had the opportunity to speak with an unemployed veteran who put things in perspective, stating that to the unemployed there is no unemployment problem. How can the Government fully appreciate my plight from its ivory tower, and how can they appreciate bankruptcy, foreclosures and the hunger of my children?

Mr. Chairman, these were asked more out of anguish than anger. However, they are reflective of the feelings of millions and, therefore, cannot be ignored.

In closing, in reference to our previous testimony on May 4 before this subcommittee, where in that testimony we stated our puzzlement to the strange paradox fostered and nurtured by the current administration. An increase in the gross national product

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[1] See p. 161.
[2] See p. 157.

is said to be the solution to the economic woes of America, yet by creating ever increasing rolls of unemployed, the administration gives the appearance of heading away from a solution rather than meeting the problem face-on.

Since May 4, our last testimony, the number of unemployed Vietnam veterans has swelled to nearly 1 million. That means, Mr. Chairman, that 40 million man-hours of productivity last week alone were lost to industry, and if those million were to remain unemployed for a year, then considering an annual median income of $15,000, $15 billion have been lost or will be lost to the economy.

We restated the above, Mr. Chairman, to emphasize the importance of farsighted legislation, such as H.R. 6440. It is our hope that Congress will act soon and favorably on it, and that similar action will be taken on the Senate side.

Mr. Chairman, that concludes my testimony.

Mr. EDGAR. Thank you for your strong statement and your statement in May on this important legislation.

If you have read the Washington Post this morning, there is a great controversy growing over the Conference of Mayors meeting out in Minneapolis because under the provisions of the administration, a draft urban policy was circulated which essentially said that all of the urban problems in the past had been addressed by Federal solutions and none of those Federal solutions had worked. Therefore, the new administration's urban policy was allegedly to be no response at all, that there was no Federal role that the Federal Government could get involved in.

As I listened this morning to your statement, Mr. Drach's statement, Assistant Secretary Plowden's statement, it occurred to me that part of what we are saying is that maybe no response is the action that the administration would like to see on this problem, and that if we just improve the economy, things will get better as it relates to veterans, particularly of the Vietnam era.

I am not sure that you believe that. I know I do not believe that, and I think the modest efforts that we put forward in developing this legislation are important in trying to address a very difficult subject, and that is how do you put people to work in a time that we have the highest unemployment since the Great Depression, and I look forward to working with you in the future in trying to solve these problems, and I hope in your communications with the administration that you would remind them that no policy is not the answer to solving these important questions.

Mr. CURRIER. Mr. Chairman, at this point in time, I think any actions at all will stand out, whether they are shortsighted or farsighted. Any actions at all are certainly going to stand out.

Mr. EDGAR. It is time.

Thank you for your statement.

Our next and final witness will be Mr. Maurice Loir, Legislative Director of the Military Order of the Purple Heart.

Mr. Loir, we are pleased to receive your testimony. We ask unanimous consent that your full statement will be made a part of the record, and we appreciate your patience this morning and hope that you will summarize your statement for the record.

[The prepared statement of Mr. Maurice E. Loir appears on p. 177.]

STATEMENT OF MAURICE E. LOIR, LEGISLATIVE DIRECTOR, MILITARY ORDER OF THE PURPLE HEART

Mr. LOIR. Thank you, Mr. Chairman.

We fully support H.R. 6440. We do have a number of reservations as shown in the statement, regarding methods of implementing the regulations that will accompany it.

Our feeling is that there would not be any particular employment problem now if the programs that have been in existence were conscientiously administered, and if there was any amount of compliance.

In some areas that has been totally lacking, and in some areas the problem has been the staff shortage within the VES. For example, New York City throughout the HIRE II program had one VES staffer with a veteran population of about 1.1 million.

The CETA program in New York City for something like a 4½- or 5-year period was never monitored for services to veterans by the VES. There are still employment service offices within New York City that have never been properly evaluated by VES, and this is all because of staff shortages.

There are situations that I have run into, and one particular case that has existed for over 6 years where one segment of the population has not received any sort of CETA services, and veterans are put on employment service files, and after a while they are dropped, and sometimes along the way on evaluations you will see penciled in markings on the applicant cards for job referrals, but when you compare it to the computer listings, in some cases the veteran does not exist.

There are repeated types of violations like this. There are promises from different people in the supervisory levels of the employment service who say that, "Oh, we are going to correct this; we are going to correct that." But the situation goes on and on, and the Regional Director of the Department of Labor says, "I am aware of it. I am taking action" for 3 years.

This is the reason for the unemployment rate today. If there were the proper monitoring, the proper compliance, or I should not say the proper monitoring. We have been getting that. With the proper compliance and then the enforcement of the regulations, we would not have the problems that we have today. The unemployment rate of veterans would be much lower than what it is.

That is our basic feeling on this. We fully support the program. I have been involved in one CETA program that involved the Federal contract job listings. I am on two CETA manpower councils, so I have seen regularly what can be done and what is not done, and I have seen some very good examples of success, all depending on how conscientiously the program is administered.

This is our whole point. We need that conscientious administration, and if we have it in H.R. 6440, it will be a very good bill, but if we do not have it, it will be a waste of time, just as the Federal contract job listings has become a waste of time.

Mr. EDGAR. The Government is only as good as the conscientious administering of that commitment that the legislative body makes through the executive branch, and I think you make a very strong point this morning.

I have no specific questions other than the ones I would like to submit to you for the record,[1] and we appreciate the Military Order of Purple Heart testifying this morning.

I apologize for the pressure of time and the other hearings that have taken place, but I think our hearings this morning have outlined the issues pretty clearly. We have heard from the administration, their comments. While in many instances they were negative, I think with a little urging and examination of the issues our differences may not be as far apart as they sounded like either in the oral or the written testimony, and so we look forward to looking carefully at this bill within the next few days.

We thank you, and the subcommittee will now stand adjourned.

[Whereupon, at 10:20 a.m., the subcommittee was adjourned.].

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[1]See p. 215.

APPENDIX

I

97TH CONGRESS
2D SESSION

H. R. 6440

To amend title 38, United States Code, to improve job training and job placement programs for veterans.

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 1982

Mr. EDGAR introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve job training and job placement programs for veterans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; AMENDMENTS TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Employment Assistance Act of 1982".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of

law, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

CONGRESSIONAL FINDINGS

SEC. 2. The Congress makes the following findings:

(1) There exists serious unemployment and underemployment among veterans as a group and particularly among disabled veterans, Vietnam-era veterans, and recently separated veterans.

(2) Alleviating unemployment and underemployment among veterans is a national responsibility.

(3) Because of the special nature of veterans employment and training problems and the national responsibility to meet those problems, programs to address those problems can best be administered through a systematic, uniform Federal program to provide funds for veterans employment assistance programs.

EXTENSION OF JOBS PROGRAMS TO VETERANS WITH 10 AND 20 PER CENTUM DISABILITIES

SEC. 3. (a) Section 2011 is amended—

(1) in paragraph (1)—

(A) by striking out "special"; and

(B) by striking out "for a disability rated at 30 per centum or more";

(2) by striking out paragraph (3); and

(3) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) Section 2001 is amended—

(1) by striking out "special" in paragraph (1);

(2) by striking out paragraph (3);

(3) by redesignating paragraph (4) as paragraph (3) and by striking out "2011(4)" in such paragraph and inserting in lieu thereof "2011(3)"; and

(4) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(c)(1) Section 2007(c) is amended by striking out "special disabled veterans,".

(2) Subsections (a) and (b) of section 2012 are amended by striking out "special".

(3) Section 2014(g) is amended by striking out "special disabled veterans" and inserting in lieu thereof "disabled veterans with disabilities rated at 30 percent or more".

PURPOSE OF JOBS TRAINING PROGRAMS

SEC. 4. Section 2002 is amended—

(1) by inserting "and regulations" after "to this end policies"; and

(2) by inserting "priority in the provision of employment and training services and" after "and persons".

JURISDICTION OF ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT

SEC. 5. Section 2002A is amended by adding at the end the following new sentence: "The officials within the Department of Labor administering chapter 43 of this title shall be administratively and functionally responsible to the Assistant Secretary of Labor for Veterans' Employment.".

STATE VETERANS' EMPLOYMENT DIRECTORS

SEC. 6. (a)(1) Section 2003 is amended by striking out the section heading and all of the matter preceding clause (1) and inserting in lieu thereof the following:

"§ 2003. State Veterans' Employment Directors

"(a) The Secretary of Labor shall assign to each State a representative of the Veterans' Employment Service to serve as the State's Veterans' Employment Director, and shall assign full-time clerical support to each such Director. The Secretary shall also assign to each State one Assistant Veterans' Employment Director per each 250,000 veterans and eligible persons of the State veterans population and such additional Assistant Veterans' Employment Directors as the Secretary shall determine, based on the data collected pursuant to section 2007 of this title, to be necessary to assist the Veterans' Employment Director to carry out effectively in that State the purposes of this chapter. Full-time Federal clerical support personnel assigned to Veterans Employment

Directors shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title. Preference in such appointments shall be given to eligible persons identified in section 2108 of title 5 and section 2011 of this title.

"(b) Each State Veterans' Employment Director and Assistant Veterans' Employment Director (1) shall be an eligible veteran who at the time of appointment has been a bona fide resident of the State for at least two years or has served as a State or Assistant State Veterans' Employment Director for at least two years, and (2) shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(c) Each such Veterans' Employment Director and Assistant Veterans' Employment Director shall be attached to the public employment service system of the State to which they are assigned. They shall be administratively responsible to the Secretary of Labor for the execution of the veterans' and eligible persons' counseling and placement policies of the Secretary through the public employment service system and in cooperation with other employment and training programs

administered by the Secretary, by other Federal jobs training program grantees in the State, or directly by the State.

"(d) There shall be assigned to each regional office of the Assistant Secretary a Regional Director for veterans' employment, who shall be an eligible veteran as defined in section 2011 of this title and shall be appointed in accordance with title 5. To the extent possible the special appointing authorities contained in section 3112 of title 5 shall be used for such appointments.

"(e) In cooperation with the public employment service system staff and the staffs of each such other program in the State, the Veterans' Employment Director and such director's assistants shall—".

(2) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2003. State Veterans' Employment Directors.".

(b) Clause (6) of such section is amended to read as follows:

"(6) be functionally responsible for the supervision of the participation of veterans in Federal employment and training programs and monitor the implementation and operation of such programs to assure that eligible veterans, disabled veterans, veterans of the Vietnam era, and eligible persons receive priority in the provi-

sion of services when such priority is required by law or regulation;".

(c) Such section is further amended by striking out the period at the end of clause (7) and inserting in lieu thereof a semicolon and by adding at the end thereof the following:

"(8) supervise the listing of jobs and subsequent referrals of qualified veterans as required by section 2012 of this title;

"(9) be responsible for the supervision of complaints of discrimination filed under section 2012 of this title to assure complaints are resolved in a timely fashion;

"(10) cooperate with employers to identify veterans, especially disabled veterans who have completed or are taking training under chapter 31 of this title by working closely with Veterans' Administration officials in the Office of Vocational Rehabilitation; and

"(11) when requested, shall assist Federal and State agencies and private employers in identifying and acquiring prosthetic and sensory aids and devices which tend to enhance the disabled veterans' employability.".

DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS

SEC. 7. (a) Subsection (a) of section 2003A is amended by adding at the end the following new paragraph:

"(5) Funds appropriated to make grants or otherwise provide assistance to States under this section shall be appropriated from general revenues and shall be specifically set forth in appropriation Acts. Funds made available to States under this section may only be used for the purposes of this section.

"(6) The Secretary shall carry out his functions under this section through the Assistant Secretary of Labor for Veterans' Employment.".

(b) Subsection (b)(2) of such section is amended by inserting after the first sentence the following new sentence: "The Assistant Secretary, after consultation with the appropriate Regional and State directors assigned under section 2003 of this title, may grant waivers of the limitation in the preceding sentence.".

(c) Subsection (c) of such section is amended—

(1) by striking out "prime sponsors under the Comprehensive Employment and Training Act" in clause (4) and inserting in lieu thereof "appropriate grantees under other Federal employment and training programs"; and

(2) by adding at the end the following:

"(8) Development of outreach programs with the Veterans' Administration's vocational rehabilitation staff, with institutions of higher learning, and with em-

ployers to assure maximum assistance to disabled veterans enrolled in a program under chapter 31 of this title.".

(c) Subsection (e) of such section is amended by adding at the end the following new sentence: "The Assistant Secretary shall monitor the employment of disabled veterans' outreach program specialists to ensure that the provisions of subsection (a)(2) of this section with respect to the employment of such specialists are complied with.".

ESTIMATES OF FUNDS FOR ADMINISTRATION

SEC. 8. (a) Subsection (a) of section 2006 is amended—

(1) by inserting "and chapters 42 and 43 of this title" after "of this chapter" in the first sentence; and

(2) by adding at the end the following new sentence: "These funds shall include amounts necessary to fund disabled veterans' outreach program specialists programs under section 2003A of this title and shall only be approved by the Assistant Secretary of Labor for Veterans' Employment if the level of funding proposed is in compliance with section 2003A of this title. Each budget submission with respect to such funds shall include a separate listing of the proposed number and specific locations for disabled veterans outreach program specialists appointed under section 2003A of this title.".

(b) Subsection (d) of such section is amended by inserting ", in consultation with the Assistant Secretary of Labor for Veterans' Employment," after "Secretary of Labor".

ANNUAL REPORT TO CONGRESS

SEC. 9. Section 2007(c) is amended by adding at the end the following new sentence: "The report shall also include a report on activities carried out under section 2003A of this title.".

NATIONAL EMPLOYMENT ASSISTANCE PROGRAM FOR VETERANS

SEC. 10. (a)(1) Chapter 41 is amended by adding at the end the following new sections:

"§ 2009. Veterans' employment assistance program

"(a) The Secretary of Labor (hereinafter in this section referred to as the 'Secretary') shall, through the Assistant Secretary of Labor for Veterans' Employment, establish and administer a program for the provision of job counseling services, job training services (including services relating to training on the job), and job placement services to veterans through grants to qualified recipients as determined under subsection (b) of this section.

"(b)(1) Grants under subsection (a) of this section may be made to State agencies, to agencies of political subdivisions of any State, and to private, nonprofit organizations. Before making a grant to any such entity, the Secretary shall

determine whether the entity can effectively provide services described in subsection (a) of this section through such a grant, taking into consideration—

"(A) the experience of the entity involved with employment and job training problems of veterans;

"(B) the familiarity of the applicant with the community where the applicant will provide services to veterans under the program; and

"(C) the capability of the applicant to administer effectively a comprehensive employment and training program for veterans.

"(2) Before a grant may be made to any entity that the Secretary has determined to be a qualified recipient of such a grant, the entity shall submit an application for the grant to the Secretary. Each such application—

"(A) shall be submitted in such form and manner and shall contain such information as the Secretary may require; and

"(B) shall include an explanation of the veterans' employment services that the applicant proposes to provide using the grant money applied for and the capabilities and resources of the applicant to provide those services.

"(c)(1) In order to make maximum use of existing programs, the Secretary shall encourage recipients of grants

under this section to enter into cooperative arrangements with private industry and business concerns (including small business concerns), educational institutions, trade associations, and organized labor in addition to cooperative arrangements with other Federal and State employment and job training programs to provide such services.

"(2) The Secretary shall ensure that maximum effectiveness and efficiency are achieved in providing the services described in subsection (a) of this section by coordinating, in consultation with the Administrator, the administration of the program established under this section with the administration of other employment and job training programs, vocational rehabilitation programs, and readjustment counseling programs administered under this title. The Secretary shall give particular emphasis to coordinating the administration of this section with the administration of section 612A of this title by the Administrator.

"(d)(1) Programs of on-the-job training for which grants are made under this section shall be designed so as to achieve maximum coordination with programs for which benefits are authorized under section 1787 of this title.

"(2) Employability development programs for which grants are made under this section shall be designed in coordination and cooperation with Veterans' Administration programs of readjustment counseling under section 612A of

this title and with veterans assistance offices established pursuant to section 242 of this title.

"(3) Job placement programs for which grants are made under this section shall be designed in coordination and cooperation with the Department of Labor's disabled veterans outreach program under section 2003A of this title.

"(4) Grants may be made under this section for demonstration programs in cooperation with the Department of Defense and the Veterans' Administration to provide to members of the Armed Forces preseparation counseling concerning opportunities in the civilian labor market and preseparation job search assistance for members who decline to reenlist in the Armed Forces.

"(e) Of the total amount of funds available to the Secretary of Labor in any fiscal year under all Federal programs for grants to State and local governments and other entities for job training and employment assistance programs, the Secretary of Labor shall ensure that an appropriate portion of such amount is allocated for grants under the program established by this section.

"(f)(1) The Secretary shall approve or disapprove any application for a grant under this section within eight weeks after the receipt of the application for such grant.

"(2) Regulations prescribed to carry out this section shall include provisions establishing proper fiscal controls, ac-

countability, and program performance of grant recipients under this section.

"(g) The Secretary may, either directly or by way of grant, contract, or cooperative agreement, furnish such technical assistance and conduct such research and development projects as the Secretary considers necessary to establish and carry out the program described in subsection (a) of this section.

"(h) Not later than January 1 of each year, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the operation of the program established under this section during the preceding fiscal year. Each such report shall include an evaluation of the effectiveness of the program in carrying out the purposes of this section during the fiscal year, the efficiency with which services were provided under the program during the fiscal year, and such recommendations for further legislative action relating to veterans' employment as the Secretary considers appropriate.

"§ 2010. Secretary of Labor's Committee on Veterans' Affairs

"(a) There is established within the Department of Labor an advisory committee to be known as the 'Secretary's Committee on Veterans' Affairs'. The members of the Com-

mittee shall serve without compensation or other reimbursement.

"(b) The Committee shall be chaired by the Secretary of Labor. The Assistant Secretary of Labor for Veterans' Employment shall serve as vice chairman of the Committee. The Committee shall include—

"(1) representatives of—

"(A) the Secretary of Health and Human Services;

"(B) the Administrator;

"(C) the Director of the Office of Personnel Management;

"(D) the Chairman of the Equal Employment Opportunity Commission; and

"(E) the Administrator of the Small Business Administration;

"(2) a representative of each of the chartered veterans' organizations having a national employment program; and

"(3) such other members as may be appointed by the Secretary after consultation with the Assistant Secretary of Veterans' Employment.

"(c) The Committee shall meet at least quarterly for the purpose of bringing to the attention of the Secretary problems and issues relating to veterans' employment.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new items:

"2009. Veterans' employment assistance program.
"2010. Secretary of Labor's Committee on Veterans' Affairs.".

(b) The Secretary of Labor shall prescribe regulations to implement the grant program authorized by section 2009 of title 38, United States Code, not later than one hundred and eighty days after the date of the enactment of this Act.

PERSONS ELIGIBLE FOR CHAPTER 42 EMPLOYMENT AND TRAINING PROGRAMS

SEC. 11. Section 2011 is amended by—

(1) in clause (1) by striking out "or" and by inserting ", or (C) a person who but for receipt of military retired pay would be eligible to receive compensation" after "service-connected disability"; and

(2) in clause (4) (as redesignated by section 2(a)) by inserting "and the United States Postal Service and Postal Rate Commission" after "title 5".

VETERANS EMPLOYMENT EMPHASIS UNDER FEDERAL CONTRACTS

SEC. 12. Section 2012 is amended by adding at the end the following new subsection:

"(d) Each contractor to whom subsection (a) of this section applies shall report at least quarterly on the total number of new hires of such contractor and the number of such hires who are Vietnam era veterans, disabled veterans,

and other eligible veterans. Each such report shall be filed with the State Veterans' Employment Director provided for in section 2003 of this title.".

VETERANS EMPLOYMENT WITH THE FEDERAL GOVERNMENT

SEC. 13. Section 2014(c) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following new paragraphs:

"(2) Each department, agency, and instrumentality in the executive branch shall list immediately with the appropriate local employment service office all of its employment openings that are open to applications from the general public. Each such office shall give such veterans priority in referral for such employment openings.

"(3) Any veteran who believes that a department or agency has failed to comply with paragraph (1) or (2) of this subsection may file a complaint with the Office of Personnel Management, which shall promptly investigate the complaint.".

(b) Subsection (d) of such section is amended by striking out "Each report under the preceding sentence shall" and inserting in lieu thereof "Each such report shall include the number of employment openings listed pursuant to subsection (c)(2) of this section, together with the number of veterans

referred to such openings and the number actually receiving jobs, and the number of complaints filed under subsection (c)(3) of this section, and the disposition of such complaints, and shall also".

VETERANS RIGHTS TO REEMPLOYMENT

SEC. 14. The first sentence of section 2024(d) of title 38, United States Code, is amended by inserting "(for any period not in excess of twelve months)" after "active duty for training".

REPEAL OF EXEMPLARY REHABILITATION CERTIFICATES PROGRAM

SEC. 15. Section 6 of Public Law 90–83, approved September 11, 1967 (29 U.S.C. 601–607), is repealed.

EFECTIVE DATE

SEC. 16. The amendments made by this Act shall take effect on October 1, 1982.

○

PREPARED STATEMENT OF PETER B. CURRIER, DEPUTY NATIONAL SERVICE AND LEGISLATIVE DIRECTOR, AMVETS

Mr. Chairman, AMVETS deeply appreciates this opportunity to present its views on employment programs administered by the Department of Labor.

We are somewhat perplexed by a strange paradox which appears to be fostered and nurtured by the current administration.

On the one hand, we hear regularly of the deepening recession and grave projections of its bottom line. We hear of the Consumer Price Index and interest rates which steadily are on the rise. We hear also of the Gross National Product which is on the decline. Of course, we also hear much of the rate of inflation which escalates from day to day, month to month, and year to year.

From administration to administration the people of this great country have had to seasonably adjust their living habits to accommodate fluctuations in their buying power, for the most part downward. Over the same course, we have been advised by economic whizzes of the need to cut, slash, and sacrifice in an effort to curb this frightening trend. The experts regularly attempt to bolster our spirit by periodic reports that the economic slide is slowing, only to snap our optimism back in line with subsequent forecasts of doom. We are told that the way out of the current economic abyss is through increased productivity, and therefrom stems the AMVETS perplexity.

Mr. Chairman, all the while we are informed of the sad state of the national economy, AMVETS watches with the rest of America as the ranks of the unemployed grow steadily. We watch in dismay as plants and small businesses alike are forced to close because of high overhead costs, many of their employees and families forced likewise to join breadlines in order to procure one wholesome meal a day.

We need not remind the members of this committee that America's veterans comprise a large segment of the unemployed populace, some of who have been seasonably adjusted right out of the job picture by their frustration and resignation at not finding jobs. Veterans unemployment is at an all time post World War II high and affects all age groups. In spite of this, the programs to assist veterans back into the employment picture continue to evaporate to the present stage where the effectiveness of CETA and DVOP is no major factor. HIRE I and II, VRA, and others have quietly come and gone, seemingly for shows of good faith but never aggressively attacking the problem. AMVETS is convinced that now, as never before, a dogmatic pursuit of jobs for veterans is in order.

Mr. Chairman, prior to presenting our comments on the proposed legislation, we wish, for the purpose of demonstrating the need for a strong effort aimed at reemploying veterans, to offer some startling statistics which we feel can key, at least in part, economic recovery for our nation. Latest estimates place unemployment figures for Vietnam veterans near 750,000. If the discouraged job seeker is included, this figure could near one million. If we can assume for the purposes of this demonstration that each of these 750,000 unemployed Vietnam veterans would earn $15,000 annually if employed full-time, then the following projections can be made:

1. 30 million man-hours weekly or nearly 1.6 billion man-hours annually are lost to industry.

2. 11 and one quarter billion dollars annually are lost to the national economy.

If we further realize that the unemployed Vietnam veterans represent only 9% of those Americans unemployed, additional projections of man-hours and revenue to the national economy lost are mind boggling. If we are to believe those who preach increased productivity as one solution to our economic woes, then the solution is obvious: Put America back to work. Since jobs can beget other jobs, AMVETS maintains that by establishing a workable employment program for veterans, the current administration will meet an obligation to those veterans while at the same time going a long way towards economic recovery.

We are pleased with the legislation proposed, a draft of which is now before this committee. We are convinced that, if enacted, such legislation will indeed improve and strengthen Department of Labor services to veterans.

Of particular interest to AMVETS is the effort to restore to initially designated strength the Disabled Veterans outreach Program. Given the past successes of the DVOP, such a move will serve to instill confidence in its representatives as well as its clientele and will lead to future achievements.

The proposal to amend Chapter 41 by allowing grants for employment programs to a wider variety of local entities will bring into play the "grass roots" approach and will enable those most in tune with the needs of the veteran and the employer at the local level to deal with the problem.

AMVETS feels that the establishment of an advisory committee will further strengthen the effort to reemploy the veterans of America since it allows direct input by several sources directly concerned and will, in some measure, serve as an oversight committee to point out any problems and/or deficiencies.

AMVETS also feels that the proposed legislation allows for additional avenues for the veteran who feels he has been discriminated against to pursue his claims of noncompliance with Federal regulations and with this also we are pleased.

Mr. Chairman, in summary AMVETS can say that it is pleased with the proposed legislation and favors its enactment. We would commend you and the members of this committee on its draft and know that you have the best interests of the veteran at heart. We are hopeful that this is a start on a road which will lead to full employment among the veterans of America. We believe that enactment of such legislation will strengthen the Department of Labor's efforts in this area.

This concludes our testimony, and I would be happy to respond to any questions.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT
HOUSE VETERANS AFFAIRS COMMITTEE
MAY 4, 1982

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 710,000 members of the Disabled American Veterans, I would like to take this opportunity to thank you for the concern that you have always displayed regarding the ongoing employment and training problems of service-connected disabled and Vietnam Era veterans. This concern is again evidenced by the decision to conduct this hearing today in discussion of a draft proposal that would amend certain sections of Title 38, U.S. Code, and, in doing so, improve job training and placement programs for veterans.

After reviewing this "Discussion Draft," I can emphatically state that we find it to be most meritorious. In fact, several resolutions adopted by our most recent National Convention would be satisfied, wholly or in part, by this proposal.

While I do not intend to give a detailed section by section analysis, there are certain areas that I do wish to make comments upon.

Mr. Chairman, as you know, various laws have been enacted over the past decade aimed at improving the employment situation of disabled and Vietnam Era veterans. Regrettably, these laws have not always been administered consistent with Congressional intent. We believe this draft proposal makes clear Congressional intent and delineates certain areas of responsibility to the Department of Labor -- responsibilities which have heretofore been absent in specific legislative language. We believe these changes are necessary in order for the Assistant Secretary of Labor for Veterans' Employment to carry out Congressional intent.

During the past decade, the aforementioned legislation, among other things, established: an Affirmative Action Program for disabled and Vietnam Era veterans, the Disabled Veterans Outreach Program, a Deputy Assistant Secretary of Labor for Veterans' Employment and, most recently, an Assistant Secretary of Labor for Veterans' Employment. Regarding the creation of this latest leadership position, there are some who believe that many of the long term problems that we have had will at last be alleviated now that we have a full Assistant Secretary of Labor for Veterans' Employment.

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However, Mr. Chairman, as the DAV testified earlier this year, the title or position of Assistant Secretary, in and by itself, is insufficient to insure that adequate employment and training services will be provided to this nation's honorably discharged veteran population, especially those disabled in time of war. Along with responsibility, the Assistant Secretary must be given authority and this authority and responsibility can only be conferred by placement within the appropriate authorizing statutes codified in Title 38, U.S. Code.

We are pleased to see language that answers many questions regarding the Congressional intent relative to the clerical staff assigned to the State Directors for Veterans' Employment. We refer to Section 6 of the draft which makes clear that full-time clerical support for the State Directors shall be federal employees appointed in accordance with the provisions of Title 5, U.S. Code. As you know, Mr. Chairman, the Department of Labor has in the past attempted to thwart federal clerical support, wishing to assign such responsibility to the state governments. We believe that it has always been the intent of Congress that such support be provided by federal employees, and again, we support this amendment very strongly.

We are also pleased to see the provision that would acquire funding of the Disabled Veteran Outreach Program from Department of Labor appropriations. There has been significant controversy over this matter and we believe, if enacted, this would clarify that issue.

We also support that portion of the bill which would give the Assistant Secretary the authority to administer funds for the Disabled Veteran Outreach Program and local Veterans Employment Representatives. For too long the Veterans Employment Service has had the responsibility to monitor and report on various aspects of the employment service but, heretofore, has never had the authority of enforcement.

In conclusion, Mr. Chairman, we certainly support the draft proposal and look forward to its introduction into the House and ultimately becoming law.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

before the

COMMITTEE ON VETERANS AFFAIRS
SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT
UNITED STATES HOUSE OF REPRESENTATIVES

on

EMPLOYMENT PROGRAMS ADMINISTERED BY
THE DEPARTMENT OF LABOR

MAY 4, 1982

Mr. Chairman and members of this subcommittee:

The American Legion thanks you for allowing us this time to present its views on potential veterans employment training programs legislation relative to Chapters 41, 42 and 43 of title 38, United States Code. Pertinent resolutions adopted by The American Legion are attached with the request that they be made part of the record.

On February 2, 1982, we appeared before this subcommittee and raised various concerns regarding veterans employment training matters. Since that time the veterans' unemployment rate for those aged 25-29 is now 17 percent; nearly 7 percentage points higher than their non-veteran peers. This higher rate likewise holds true for those veterans aged 30-39. Indeed, in February of 1981 the unemployment rate for Vietnam era veterans was lower than for non-veterans; however, the reverse now holds true leading us to conclude that

younger Vietnam era veterans are usually the first let go due to lack of seniority and work experience.

We have stated time and again that these figures represent only the tip of the iceberg and that many younger veterans have simply dropped out of the labor market, disillusioned and cynical towards a system which has been of minimum assistance.* Veterans of all generations, however, are currently in search of programs and assistance designed to meet their special economic needs.

The Veterans Administration, in fact, reports that for the period of April 1, 1980 - February 31, 1982, 52,512 veterans were seen at VA Outreach Centers, and of that number between 33 and 46 percent had employment related problems; the highest of seventeen identifiable problems. We also note that older veterans are also turning to Outreach Centers and other programs in increasing numbers.

Returning to younger veterans, Mr. Chairman, the situation is bleak. The Comprehensive Employment and Training Act's doors have been all but closed to them. Many Disabled Veterans Outreach Program specialists and Local Veterans Employment Representatives have been fired or laid-off with both programs in a state of high flux and

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* Moreover, a close review of the Employment Security Automated Reporting System (ESARS) for the period ending September 30, 1981 reveals that in fiscal 81, the Employment Service placed only 18 percent veterans of 2.8 million veteran applicants, and only 14 percent of those placements were in jobs lasting 150 days or more at an average wage of only $4.74. Additionally, only 1,000 veterans, to include only 28 disabled veterans, were placed in apprenticeship programs while the ES maintained 146,000 active disabled veteran files. But perhaps the most telling statistic is that nearly 212,000 veterans were referred to jobs through the Job Information Service where the applicants themselves, rather than the ES interviewers, screen job openings. It must be noted that this service does not provide for mandatory preferential referral of qualified veterans.

uncertainty. Some states are without a State Director for Veterans Employment, and there are vacant secretarial positions with some having been empty for over three years. Reports are received that some states are firmly resistant to the Disabled Veterans Outreach Program and have little concern for the duties of their State Director for Veterans Employment.

Over the years both the House and Senate Veterans Affairs Committees have provided much needed legislative guidance and direction in veterans' employment training issues. They have attentively listened to our collective voices with an understanding and compassionate ear. To date, however, the issue has never been one of legislation alone, but of implementation. At the state level, veterans programs are usually the first to be cut or reduced; the ones with low priority, staff and commitment; the ones sacrificed for other more popular or seemingly expedient ones.

Mr. Chairman, it is our firm belief that veterans' employment training programs and the system designed to assist them are at a crossroads. Are they to continue on the path which is nearly totally dependent on other programs or will they be given the stature and authority they deserve? We, as veterans' advocates, must look to Congress for these answers. With the enactment of P.L. 96-466, there was created the position of Assistant Secretary for Veterans Employment (ASVE) and recently, the Veterans Employment Service (VES) was severed from the Employment and Training Administration (ETA) and placed under the control of the ASVE. This first event was of enormous significance to all veterans and placed DoL veterans programs where they belong. We believe ASVE has taken positive steps to exert his authority and duties, not only within the department,

but with the states. But the fact remains, veteran programs are too dependent upon compliance with federal law and regulation by others who often violate those laws and regulations with regularity and impunity, for whatever reasons.

We have stated in the past, Mr. Chairman, that Chapters 41 42 and 43 of title 38 USC, are too "loose" and in need of a thorough review. Historically, The American Legion has identified several problems and has attempted to rectify them, but always as single issues. However, now is the time to address these nagging problems as a package and clear-up any doubt as to the intent of Congress or the law. Importantly, the present time provides a perhaps unique opportunity to expand the responsibilities of the ASVE and give to that office needed authority over veterans' employment training programs.

We have reviewed the proposed amendments to Chapters 41, 42 and 43 and find them right on point. The Office of Veterans Re-employment Rights needs to be placed under the office of ASVE, as it is a veterans' program and the only veterans' program which is not under the control of the ASVE.

As regard the Disabled Veterans Outreach Program (DVOP), we are pleased to note that appointments will be monitored by the ASVE. The line iteming of funds for DVOP specialists and Local Veterans Employment Representatives (LVER) as well as allowing flexibility in outstationing personnel where they can be of greatest value should maximize efficiency and effectiveness. Funding DVOP out of general revenues rather than through the Federal Unemployment Trust Account (FUTA) is a greatly needed reform, since FUTA has become a funding source of constant contention and strain.

Moreover, the status of clerical assistants for each State Director for Veterans Employment should be identified explicitly as federal employees. The establishment of the position of Regional Director for Veterans Employment, which now seems subject to administrative fiat, is applauded. These amendments should go far in placing the office of ASVE in a responsive administrative posture.

As regard substantive programs and procedures, the Veterans Employment Service should handle the complaint and monitoring process under section 2012 of title 38, USC. State Employment Security Agencies are often not disposed to do so, as they wish not to alienate employers who list openings with local offices. Moreover, the Office of Federal Contract Compliance has long ignored this provision and with the build-up in military spending, the need for effective enforcement of this provision becomes evident. We also welcome the greater burden of responsibility on federal contractors to list job openings with local offices, as well as federal agencies listing their vacancies. In that regard we note that construction contractors in Houston, Texas - many of whom are federal contractors - employ illegal aliens with an incidence of 33 percent.

Mr. Chairman, as regard amendments not included in the draft, thought should be given to the addition of a representative from the Employment and Training Administration on the Secretary's Veteran Advisory Committee, as the ETA has responsibility over national employment training matters and the State Employment Security Agencies. Further, the ASVE is the only assistant secretary without a deputy, thus there exists an obvious imbalance within the Department of Labor, with the entire program burden falling to the

ASVE. Therefore, a deputy ASVE should be authorized and appointed in accordance with title 5 and paid pursuant to Cahpter 51 of title 5, USC.

Another recommendation would be to amend Section 2003 with respect to the residency requirements of two years for State Directors of Veterans Employment. We know the rationale behind that restriction and we concur with it. However, that restriction may now have the precise impact it attempted to avoid. The states and territories of RI, HI, DE, VT, ME, NH, PR and DC are authorized only a State Director for Veterans Employment. Thus, when a vacancy occurs, as is the case with Hawaii, the VES must look outside of its pool of potentially outstanding candidates. Assistant Directors for Veterans Employment operating in distant states may be good candidates, but are barred from applying. Personnel within the VES itself are, therefore, precluded from career advancement which often leads to low morale and a feeling of frustration. Moreover, recognizing that veterans programs are generally arranged similarly in all states, existing VES personnel should be eligible. There are many Assistant State Directors for Veterans Employment who are Vietnam era veterans who would welcome the opportunity to compete for a State Director position elsewhere, but now must content themselves with a vacancy in their respective states. We, therefore, strongly recommend maintaining the two-year residency requirement, but with the inclusion of language which states, ..."or a State Director or Assistant State Director of the VES who shall have had at least 2 years of service within the VES". This provision would preserve the intent of Congress in section 2003, while providing the necessary managerial flexibility.

One final note, Mr. Chairman, the language of the draft states at p. 8, line 2 (et seq),"...(5) subject to the availability of /DVOP7 appropriations...". This is somewhat troubling to us as it leaves us with the impression that the Department of Labor does not necessarily have to actively seek DVOP appropriations. We, therefore, favor the retention of the present wording of section 2003A (a) (1), "...shall make available...".

In that regard, we recommend a specific dollar figure of $20 million. Other additions to the draft legislation might address performance criteria, fiscal controls and reports, recordkeeping and investigations, the issuance of regulations within 120 days of enactment and that program grants or contracts be approved or disapproved by the office of ASVE within 40 working days of submission.

Mr. Chairman, we have vigorously pressed for adequately strong veterans' employment training programs in the past and continue to do so. Veterans were an after-thought in CETA and we wish to avoid this in the future. Our position on this matter is well known. We thank you, Mr. Chairman, for your support in this entire matter.

NATIONAL EXECUTIVE COMMITTEE
OF THE AMERICAN LEGION
INDIANAPOLIS, INDIANA
OCTOBER 14-15, 1981

RESOLUTION NO. : 22

COMMITTEE : ECONOMICS

SUBJECT : SEEK ESTABLISHMENT OF SEPARATE VETERANS EMPLOYMENT TRAINING PROGRAM APPROPRIATIONS TO BE ADMINISTERED BY THE VES

WHEREAS, The employment training needs of all veterans, especially Vietnam era veterans and disabled veterans, are substantially diverse from the employment training needs of other groups served by current manpower programs; and

WHEREAS, Programs under the Comprehensive Employment and Training Act have never delivered adequate services to veterans despite federal requirements and guidelines; and

WHEREAS, The current Administration proposes the elimination of CETA in many respects and to substitute manpower programs to be administered by the states predicated on their respective needs; and

WHEREAS, Based on this proposal States and the State ES system have not been historically responsible to the manpower needs of their veterans; and

WHEREAS, Chapter 41 of title 38, United States Code, provides that the VES, among other things, is to design and implement veterans employment training programs; and

WHEREAS, Congress has never appropriated funds for the VES to specifically address the severe problem of veterans unemployment and underemployment; and

WHEREAS, This inability to actively and decisively affect veterans employment training has caused the VES to assume a passive and secondary role; and

WHEREAS, The appropriation of separate funds for the VES to design, implement and monitor veterans; employment programs would have a profound positive effect on underemployed and unemployed veterans; now therefore be it

RESOLVED, By The National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on October 14-15, 1981, that The American Legion seek to have Congress appropriate funds specially earmarked for the use of the VES to design, implement and monitor manpower training programs to meet the unemployment and underemployment needs of veterans.

SIXTY-THIRD ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 29-SEPTEMBER 3, 1981
HONOLULU, HAWAII

RESOLUTION NO. : 40

COMMITTEE : ECONOMICS

SUBJECT : DISABLED VETERANS OUTREACH PROGRAM

WHEREAS, Congress made permanent the Disabled Veterans Outreach Program with the enactment of PL 96-466 (38 USC 2003A); and

WHEREAS, Appropriations for the program are authorized under title 42, Section 1101, United States Code; and

WHEREAS, Under that authorization are all employment activity services, but not identified as specific line item budget amounts within the Department of Labor's Employment and Training Administration budget; and

WHEREAS, Such fiscal grouping of programs may cause other programs to be funded to the detriment of the Disabled Veterans Outreach Program; and

WHEREAS, Such fiscal grouping of programs provides no fiscal control and accountability of the Disabled Veterans Outreach Program; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Honolulu, Hawaii, September 1, 2, 3, 1981, that The American Legion urge Congress and/or the Department of Labor to provide the Disabled Veterans Outreach Program with specific and separate line item budget requests; and be it further

RESOLVED, That the Department of Labor be urged to implement an effective administrative control mechanism to ensure Disabled Veterans Outreach funds are being utilized for the intended purpose.

SIXTY-THIRD ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 29-SEPTEMBER 3, 1981
HONOLULU, HAWAII

RESOLUTION NO. : 104

COMMITTEE : ECONOMICS

SUBJECT : FULL ENFORCEMENT OF REQUIREMENTS FOR AFFIRMATIVE ACTION FOR ELIGIBLE VETERANS BY FEDERAL CONTRACTORS

WHEREAS, Chapter 42, Section 2012 of title 38, United States Code, requires that any private contractor or subcontractor who has a government contract for the procurement of personal property and nonpersonal services of $10,000 or more shall take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era; and

WHEREAS, This federal statute further requires contractors to list "immediately" with the local Job Service office all of its suitable employment openings; and

WHEREAS, Enforcement of this requirement is vested in the Office of Federal Contract Compliance of the Department of Labor; and

WHEREAS, The Office of Federal Contract Compliance has not, in any meaningful and substantive way, enforced the above provisions; and

WHEREAS, There has been, and is, a blatant disregard of the above provisions by both the Office of Federal Contract Compliance and private contractors, thus denying qualified veterans employment opportunities within the private sector; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Honolulu, Hawaii, September 1, 2, 3, 1981, that the Office of Federal Contract Compliance in the United States Department of Labor be required to fully enforce the provisions of Section 2012 of title 38, United States Code, which are intended to help eligible veterans to find employment with contractors having federal contracts.

SIXTY-THIRD ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 29-SEPTEMBER 3, 1981
HONOLULU, HAWAII

RESOLUTION NO. : 278

COMMITTEE : ECONOMICS

SUBJECT : AMERICAN LEGION ACTIVITY TO ENSURE AT STATE/LOCAL LEVELS MAXIMUM PARTICIPATION OF VETERANS IN FEDERAL FUNDED MANPOWER PROGRAMS

WHEREAS, The future status of the Comprehensive Employment and Training Act (CETA) under PL 9-203 is in doubt as the Department of Labor is planning for the consolidation, realignment or elimination of many programs under CETA; and

WHEREAS, This readjustment will have a severe effect on veterans' employment/training programs; and

WHEREAS, Under the CETA concept, veterans, especially Vietnam era veterans, were at no time a viable part of CETA; and

WHEREAS, The Administration proposes a return to the Block Grant system, wherein federal monies will be utilized by the states in best deciding employment/training programs based on state/local needs; and

WHEREAS, A Block Grant system will better address the employment/training needs of all veterans; and

WHEREAS, Respective state governors will be vested with the authority on how best to utilize these federal funds; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Honolulu, Hawaii, September 1, 2, 3, 1981, that The American Legion call upon all department officers, post officers, and individual members of The American Legion to contact their respective state governors indicating that any state employment and training programs utilizing federal funds must include special programs for veterans employment and training.

SIXTY-THIRD ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 29-SEPTEMBER 3, 1981
HONOLULU, HAWAII

RESOLUTION NO. : 302

COMMITTEE : ECONOMICS

SUBJECT : OPPOSE ANY CHANGES IN THE WAGNER-PEYSER ACT HAVING AN ADVERSE EFFECT ON VETERANS

WHEREAS, The Congress, in the passage of the Wagner-Peyser Act of 1933, provided, in part, for the creation of the United States Employment Service; and

WHEREAS, Employment programs authorized by the Act directly benefit veterans; and

WHEREAS, Present budgetary reductions of these programs will have a profound detrimental effect on the employment of veterans; and

WHEREAS, These budgetary reductions will cause untold harm to the State employment security agencies as regard staffing, placement and programs; and

WHEREAS, The State employment security agencies are already under a 30,000 personnel ceiling since 1966 in a labor market which has expanded its demand for services over 30 percent; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Honolulu, Hawaii, September 1, 2, 3, 1981, that The American Legion oppose any changes in the Wagner-Peyser Act as regard to programs that benefit veterans; and be it further

RESOLVED, That The American Legion urge full funding of all United States Employment Service programs.

SIXTY-THIRD ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 29-SEPTEMBER 3, 1981
HONOLULU, HAWAII

RESOLUTION NO. : 346

COMMITTEE : ECONOMICS

SUBJECT : PREFERENCE AND SPECIAL CONSIDERATION FOR VETERANS IN ALL BLOCK GRANT MANPOWER PROGRAMS FUNDED BY THE FEDERAL GOVERNMENT

WHEREAS, The Administration proposes the elimination of present federally funded employment and training programs; and

WHEREAS, The Administration proposes categorical block grants to states which will enable the states to design and implement their own programs based on state needs; and

WHEREAS, Veterans have never been a viable part of previously funded employment/training programs under the Comprehensive Employment and Training Act; and

WHEREAS, Veterans, especially Vietnam era veterans, suffer a higher unemployment rate than their nonveteran counterparts; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Honolulu, Hawaii, September 1, 2, 3, 1981, that both the Congress and the Administration be petitioned to ensure that veterans are made a substantive and meaningful part of any future federally funded manpower programs.

SIXTY-THIRD ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 29-SEPTEMBER 3, 1981
HONOLULU, HAWAII

RESOLUTION NO. : 441

COMMITTEE : ECONOMICS

SUBJECT : SEEK LEGISLATION TO SECURE SECRETARIAL POSITIONS AS FEDERAL EMPLOYEES FOR EACH STATE DIRECTOR FOR VETERANS EMPLOYMENT

WHEREAS, PL 96-466 (38 USC 2003) placed responsibility to appoint full-time clerical support assistance for each State Director of Veterans Employment upon the Secretary of Labor; and

WHEREAS, Congress, in enacting section 2003, made no provision that these positions should be federal employees; and

WHEREAS, Such ambiguous wording has caused the Department of Labor to interpret section 2003 to place staffing responsibility on the respective states; and

WHEREAS, Such status as State employees would have a severe detrimental impact on State Directors of Veterans Employment; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Honolulu, Hawaii, September 1, 2, 3, 1981, that The American Legion seek legislation to amend 38 United States Code, 2003, to secure for each State Director of Veterans Employment full-time federal clerical support.

96-588 O—82——8

SIXTY-THIRD ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 29-SEPTEMBER 3, 1981
HONOLULU, HAWAII

RESOLUTION NO. : 468

COMMITTEE : ECONOMICS

SUBJECT : SUPPORT LEGISLATION FOR FLEXIBLE PLACEMENT FOR DISABLED VETERANS OUTREACH PROGRAM

WHEREAS, The Disabled Veterans Outreach Program (DVOP) is mandated by statute, under 38 USC 2003A, with approximately 2,000 nationwide staffers; and

WHEREAS, The requirements of Section 2003A(b)(2) provide that"no more than three-fourth of the DVOP specialists in each State shall be stationed at local employment offices in such State"; and

WHEREAS, The proposed budget cuts to the State employment security agencies may necessitate the curtailment of many local Job Service offices; and

WHEREAS, Such Job Service office curtailments will have a negative impact on the effective placement of DVOP staffers and will further hinder the implementation of the program; and

WHEREAS, The Assistant Secretary of Labor for Veterans Employment should, when warranted, be given the managerial flexibility to place DVOP staffers in offices other than local Job Service offices that would maximize their effectiveness and efficiency; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Honolulu, Hawaii, September 1, 2, 3, 1981, that The American Legion seek to amend the law (38 USC 2003A(b) (2)) that requires that three-fourth of all staff under the Disabled Veterans Outreach Program be placed in local state employment security agency offices and, instead, provide the Assistant Secretary of Labor for Veterans Employment with authority to place DVOP staff, when warranted for the greatest efficiency, at any time, and in any number, in offices other than local state employment security agency offices.

SIXTY-THIRD ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 29-SEPTEMBER 3, 1981
HONOLULU, HAWAII

RESOLUTION NO. : 497

COMMITTEE : ECONOMICS

SUBJECT : OPPOSE ANY MODIFICATION OF THE REGULATIONS REGARDING PLACEMENT OF LOCAL VETERANS EMPLOYMENT REPRESENTATIVES

WHEREAS, Title 38, United States Code, Section 2004, establishes that the Secretary of Labor shall assign to each local State employment security agency one or more veterans representative; and

WHEREAS, Subsequent regulations promulgated by the Department of Labor at 20 CFR 653 state that local veterans employment representatives (LVER) be assigned to every full functional local employment service office that has at least 6,000 veterans in population within its administrative area, or that had at least 1,000 new and renewed applications from veterans in the past 12 months; and

WHEREAS, From time to time a movement is generated to amend 20 CFR 653 as to eliminate the employment services for veterans or modify the above requirement; and

WHEREAS, Many proposed modifications and/or amendments would have a severe negative impact on full employment services to veterans; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Honolulu, Hawaii, September 1, 2, 3, 1981, that The American Legion oppose any modification and/or amendment to 20 CFR 653 relative to the placement of local veterans employment representatives that would have a negative impact on veterans employment services; and be if further

RESOLVED, That steps be taken to ensure that all local State employment security agency offices do, in fact, have the required number of LVERS and that they are, in fact, being fully utilized for veterans employment services as provided by law.

SIXTY-THIRD ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 29-SEPTEMBER 3, 1981
HONOLULU, HAWAII

RESOLUTION NO. : 517

COMMITTEE : ECONOMICS

SUBJECT : REQUIRE THE DEPARTMENT OF LABOR TO PROVIDE THE OFFICE OF ASSISTANT SECRETARY OF VETERANS EMPLOYMENT WITH SEPARATE LINE ITEM BUDGETS FOR ADMINISTRATION AND VETERANS PROGRAMS

WHEREAS, PL 96-466 elevated the Deputy Assistant Secretary of Labor for Veterans Employment position to a full Assistant Secretary for Veterans Employment and statutorily mandated the Disabled Veterans Outreach Program with administrative responsibility to the ASVE; and

WHEREAS, PL 96-466 can only be properly carried out by realigning the currently fragmented veterans programs within the Department of Labor under the ASVE; and

WHEREAS, The ASVE must administer veterans programs, but will have no control or influence over budgets for these programs since budget items for these employment programs for veterans must remain with the parent program component; now therefore be it

RESOLVED, By The American Legion, in National Convention assembled in Honolulu, Hawaii, September 1, 2, 3, 1981, that The American Legion require the Department of Labor to provide the office of the Assistant Secretary of Labor for Veterans Employment with separate and distinct line item budget for the administration of veterans programs; and be it further

RESOLVED, Seek to have all veterans programs within the Department of Labor aligned under the office of the Assistant Secretary for Veterans Employment.

Prepared Statement of Maj. Gen. Francis S. Greenlief (Ret.), Executive Vice President, National Guard Association of the United States

Mr. Chairman, I am Major General Francis S. Greenlief, (Ret.), Executive Vice President of the National Guard Association. Our Association strongly recommends enactment of H.R. 5209.

The National Guard is the only component of the Armed Forces which performs a dual role, i.e., Federal and State. On almost any given day of any year, National Guard units are performing emergency service in some State in the public protection role. This is possible because of the uniqueness of the National Guard as established by the Constitution and many subsequent enactments of the Congress, because of State support including financial support, and because of the training, equipment, and facilities provided by the Federal government to produce wartime units.

The Army National Guard provides 46 percent of the combat structure of the U.S. Army and a significant portion of the support units of the U.S. Army. The Air National Guard provides 40 to 50 percent of the aircraft of the several Air Force commands, and 70 percent of the combat communications capability of the Air Force.

The Army and Air National Guard provide such a significant part of Army and Air Force war fighting capability that those services cannot expect to fight and win unless the National Guard can fight when, where, and as well as the Regulars. Each of the other Reserve Components provide significant and essential elements of our nation's defense forces. Since the National Guard and Reserves are expected to fight, when, where, and as well as the Regulars, we insist that we be manned, trained, equipped and supported as well as the Regulars.

2-2-2

As long ago as 1916, when Congress enacted section 99 of the National Defense Act of that year, it recognized the need to provide the same service school training for members of the National Guard as their Regular Army counterparts were receiving. Today, the "Total Force" concept requires the National Guard and Reserve to be able to fight the day they are mobilized. Training must be accomplished in peacetime, and it cannot be done by reading field manuals, completing correspondence courses, or entirely during unit training assemblies and annual field training.

The Army National Guard conducts Officer Candiate Schools in most of its 54 jurisdictions, and graduates approximately 1650 brand new second lieutenants ever year. Within the 18 month period following their original appointments, all of these new officers are required to complete the basic course of the branch to which they are assigned. Most of those courses currently require four continuous months in residence at a service school to complete.

The Air National Guard also produces new officers through its OCS's. Most of these officers are required to improve their military proficiency by attendance at service schools of more than four months duration.

In addition an even greater number of enlisted members of the Army and Air National Guard are required to attend service schools of more than 90 days duration to qualify in the Military Occupational Specialties or Air Force Specialty Codes.

All other components -- the Army and Air Force, Navy, Marine, and Coast Guard Reserve must have school trained personnel to perform their peace and war times missions.

3-3-3

In providing for leaves of absence and reemployment rights for Guardsmen and Reservists undergoing the specialized individual technicial training required for their initial qualification, professional advancement in command, and retraining as new weapons and equipment come into the inventory, the Congress recognized the imperative that every employer, public and private, had to guarantee job security to the part time soliders, sailors, and airmen in their employ. It obviously could not rely on the individual wish or whim of every employer, large and small. To be effective, like the collection of taxes, those rights must be spelled out in law, and enforced by the government.

Until the recent Federal court decisions in the Peel and City of Jacksonville cases, there had been no question but that section 2024(d) of title 38, United States Code, meant exactly what it said. Guardsmen and Reservists were entitled to leaves of absence to perform the full-time or active duty for training required of them. The courts' decisions that there is a 90 day limit action on that entitlement, exacerbated by the wholly gratuitous extension of the courts' pronouncment by the Bureau of Veterans Reemployment Rights of the United States Department of Labor to the effect that there is a limitation of a total of 90 days in any 3 year period, came as a bolt out of the blue.

We in the Guard are not blind to the needs of business, industry, labor, and government in the communities where we live and work. We train on weekends and fit our schedules as best we can to accomodate employers. Field training of units in rural communities is often scheduled to avoid any interference with the timely harvesting of crops. In many urban areas, the Guard has carefully worked out arrangements with police and fire departments to insure effective cooperation and minimum interruption of municipal functions when the Guard is ordered into active State service.

4-4-4

Most employees realize the necessity of good relations with their supervisors and are aware of seasonal requirements of their particular businesses and offices. They have the good sense to arrange to perform their military school training during slack or off-peak times at the civilian work site, if at all possible.

Commanders at all levels endeavor to maintain a good public relations program. Training schedules are published well in advance so that unit members and their employers can make appropriate adjustments in their work schedules. The Department of Defense has a standing committee charged with improving employer support for the Guard and Reserve.

In short, we do our level best to perform essential military training without disrupting work schedules and the orderly transaction of civilian business, including that of government at all levels. In return, we feel that Federal, State, county, and municipal governments, labor and industry, and businesses large and small owe our members the right and privilege to serve in the National Guard and in the Reserve in the certain knowledge that security and advancement in their civilian employment is in no wise jeopardized by that service.

And, finally, we believe that the Bureau of Veterans' Reemployment Rights should be responsible for enforcing a law which is clear and unequivocal.

For these reasons, our Association urges the speedy enactment of H.R. 5209, 97th Congress. I will be happy to try to answer any questions you may have.

Prepared Statement of William L. Heartwell, Jr., Executive Vice-President, Interstate Conference of Employment Security Agencies, Inc.

Mr. Chairman, members of the Subcommittee, my name is William L. Heartwell, Jr. I am Executive Vice-President of the Interstate Conference of Employment Security Agencies, Inc. (ICESA). Our organization represents the public employment service and unemployment insurance systems in all fifty states, the District of Columbia, Puerto Rico, and the Virgin Islands. I appreciate the opportunity to appear before you today to present our general views on the discussion draft to amend Title 38 of the U.S. Code. Inasmuch as we have not participated in the development of this document and have had less than a week to thoroughly analyze its content, I respectfully request that we be afforded the opportunity to submit additional written comments in the near future following a more comprehensive review by our organization.

The Interstate Conference supports the work of this Subcommittee to improve job training and job placement programs for veterans. Towards this goal, the draft bill makes a number of substantive changes in Title 38, U.S.C., which are fully supported by our organization. Specifically, as proposed, the Disabled Veterans Outreach Program (DVOP) would be financed by general revenues rather than employer taxes which are collected under provisions of the Federal Unemployment Tax Act (FUTA). With the exception of the current fiscal year, the program has always been funded from general revenues, via the Comprehensive Employment and Training Act (CETA), although it was administered by the state employment security agencies. This was a most successful arrangement within which the program was initiated and became so successful as to motivate this committee to ensure its permanent status in legislation (P.L. 96-466).

As you are keenly aware, reductions in the Employment Service staffing and the mandated absorption of DVOP costs in the Employment Service budget, both initiated by this Administration, have had a detrimental impact upon program performance. Your proposal to fund DVOP out of general revenues, therefore, can be a major factor in achieving the desired goals of the program. However, if the current level of ES staffyears (24,800) is reduced to offset the costs of supporting 2,000 DVOP specialists, we have accomplished very little.

It is important to recognize that an adequately staffed Employment Service is essential in providing the support systems that are necessary for such programs as DVOP, as well as our basic labor exchange activities. Specifically, the following support systems and programs provide the foundation of our nationwide network: counseling; testing; labor market information; computerized job listing and matching; employer services; job development; and occupational and industrial classification. Without these basic tools, any type of job placement program would be hampered in accomplishing its objectives.

Mr. Chairman, in light of this most important issue, we strongly request the Subcommittee to consider additional language in the proposed amendment to section 2003A (paragraph 5) which would clearly state that this change is in no way intended to reduce Employment Service staffyears below the authorized FY 1982 level of 24,800. Further, we encourage you to consult with the Budget and Appropriations Committees regarding this vital matter.

On a related issue, we support the language in the draft bill which would allow waivers to be granted under the present DVOP outstationing requirement. A number of state Employment Service directors have reported

to us that the language in the current law has prevented them from effectively utilizing staff. In many instances, productivity could be increased by assigning more than three-fourths of the specialists in ES local offices; however, it should also be noted that for some states greater outstationing has proven more beneficial. The waiver provision contained in the draft bill recognizes the differences between the states with regard to population centers, economy, number of appropriate VA facilities, etc., and will, therefore, provide the states with the needed flexibility to assign staff and more effectively serve the eligible veterans.

The Interstate Conference also supports that provision in the draft bill that would, in effect, transfer the Office of Veterans Reemployment Rights, LMSA, to the Office of the Assistant Secretary for Veterans Employment. We believe this transfer is consistent with the intent of Congress when the Assistant Secretary's position was established in law, and further that this transfer will result in a greater responsiveness to returning veterans and reservists whose reemployment rights have been infringed upon.

ICESA also supports the establishment of the Secretary's Committee on Veterans' Affairs. We recommend that in addition to the representatives listed in the draft bill, the Administrator of the United States Employment Service also be included as a full member of the Committee. As the federal official most directly responsible for the maintenance and support of the public employment service program, his participation on this advisory body would be a positive contribution.

Mr. Chairman, the Interstate Conference fully recognizes the desire of this Subcommittee to ensure that the employment and training needs of all veterans are met in the most responsive and cost-effective manner. And to

that extent, we support the intent of Section 2009 which would create a national employment assistance program. However, we firmly believe that this program, as presently drafted in the bill, would duplicate existing veterans activities within the Employment Service system. This includes dedicated ES staff who are responsible for meeting the special counseling and placement needs of veterans.

We believe that the Employment Service is the most productive job placement resource for all veterans; this includes individuals recently separated from the military, as well as those who have been working in civilian jobs but now find themselves temporarily or permanently unemployed. In addition to approximately 2,000 DVOP specialists and 1,300 local Veterans Employment Representatives, who concentrate their efforts on serving the veteran, our system also includes highly qualified testing specialists, counselors, employer services representatives, employment interviewers, and many other dedicated staff. Our system is supported by: a highly computerized program of job listings and referrals; structured job development activities; labor market information products, including those which are essential to making occupational choices; a proven system of occupational and industrial coding; a mechanism for locating employment opportunities that may be outside of an individual's region or state, and many other employment related services that are offered in approximately 2,000 offices across the country. It is not productive or cost-effective to establish a duplicate system of the type described in Section 2009.

With regard to training for veterans, we would recommend that every attempt be made to utilize existing structures, e.g., CETA. We recognize

that in the past, the CETA system has not been responsive to the training needs of veterans. However, legislation is now being developed in both houses that could adequately address this area of need, and we would encourage the Subcommittee to continue to work with the authorizing committees in this regard.

Mr. Chairman, that concludes my remarks. Again, I appreciate the opportunity to appear before the Subcommittee to express our views on this draft bill. I would be pleased to respond to any questions that you may have at this time.

BLINDED VETERANS ASSOCIATION
1735 DeSALES STREET NORTHWEST • WASHINGTON D C 20036 • (202) 347-4010

STATEMENT OF WILBURN H. LONG, EMPLOYMENT DIRECTOR
BLINDED VETERANS ASSOCIATION
BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS, U. S. HOUSE OF REPRESENTATIVES

May 4, 1982

Mr. Chairman and distinguished members of this Subcommittee. On behalf of the Blinded Veterans Association I wish to express my sincere appreciation for this opportunity to appear before you today.

The Blinded Veterans Association is very much concerned about programs within the Department of Labor designed to eliminate the unemployment problems of veterans. We feel that the proposed changes being addressed here today will enhance the overall effectiveness of veterans employment training programs within the Department of Labor.

The Blinded Veterans Association would however recommend that further consideration be given to the two-year residency requirement of those eligible to be State Directors If this remains, it could result in the position being filled by an individual inexperienced in veterans employment programs. This could very easily happen in states not presently authorized Assistant State Directors due to a smaller veteran population. On the other hand, if such requirement were eliminated, it would allow an experienced Assistant State Director, non-resident, to be eligible to fill the position of State Director. This would also give the Veterans Employment Service a built-in mechanism for upward mobility for its present Assistant State Directors.

Mr. Chairman, I again wish to thank you for giving me the opportunity to appear before your distinguished Subcommittee.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

STATEMENT OF

PHILIP R. MAYO, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

VETERANS EMPLOYMENT PROGRAMS ADMINISTERED BY THE DEPARTMENT OF LABOR

WASHINGTON, D. C. MAY 4, 1982

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 1.9 million members of the Veterans of Foreign Wars of the United States, I would like to thank you for the opportunity to present our views relative to the veterans employment programs administered by the Department of Labor (DOL).

Before the Subcommittee today, Mr. Chairman, is a draft bill to improve job training and job placement programs for veterans. The proposed measure also provides for the streamlining, strengthening and clarification of a number of DOL administrative functions and the responsibilities of certain administrative positions.

As has been indicated to this and other committees of Congress by the Veterans of Foreign Wars on previous occasions, we believe that suitable employment is a

basic element in a veteran's readjustment process, and the federal government is in a unique position to assume an active and constructive leadership role in that process. In that connection, we have pointed out a number of problem areas that we believe have effectively precluded the accomplishment of this very important objective and role on the part of the federal government. For far too many years, we have witnessed and participated in what has become an annual struggle to secure the adequate funding so vital to implementing an effective employment program for veterans. This ritual usually includes discussion surrounding the secretarial positions (more specifically the lack thereof) for State Directors; and the Disabled Veterans Outreach Program (DVOP) and its success despite what could be described as planned obsolescence. The numerous unfilled positions within the Veterans Employment Service (VES) would appear to an outside observer to be bureaucratic mismanagement despite whatever valid reason is given therefor. Finally, the redundant complaints received from the field regarding the lack of timeliness of action by the Office of Federal Contract Compliance Programs has had an all too familiar ring.

It is, therefore, with genuine appreciation that the VFW commends the action of this Subcommittee and its staff for its aggressive leadership in the formation of the draft measure before the Subcommittee at this time. It is a measure but for some refinement, that could put this senseless ritual to rest so that we all might expend our collective energies on the client, who all too often, has been faceless and, unfortunately, unattended--the veteran.

Mr. Chairman, the salient provisions of the proposal include making the Regional Director position a statutory requirement; provides for tighter funding for the DVOP under DOL control and insures that funds appropriated would be used for that program; provides that the Office of Veterans Re-employment Rights come under the direct control of the Assistant Secretary for Veterans Employment--a move we believe to be both logical and long overdue; provides that the State

Veterans Employment Directors will have full-time federal clerical support; promotes greater coordination between the Department of Labor, Veterans Administration, and other agencies of government in dealing with veterans employment; and provides that veterans statutory employment rights not be abrogated through collective bargaining processes.

However, there are some portions of the proposal which concern us. One such provision states that no less than five percent of the funds made available to the Secretary of Labor in any fiscal year under federal programs for grants to state and local governments and other entities for job training and employment assistance programs shall be allocated to the Assistant Secretary for Veterans Employment. On face value, this may appear to be more than a generous amount, however, it disturbs us when no set or floor dollar amount is given, thereby making planning for programs somewhat of a guessing game. While one year total funding might be a figure of $200 million, the next could be considerably smaller, and, thereby, reduce veterans programs in a like manner.

Another area of major concern deals with the process whereby the Assistant Secretary of Veterans Employment works in consultation with the Regional and State Directors to grant waivers with regard to the assignment of DVOP personnel. We feel that the Assistant Secretary for Veterans Employment should be dealing with the Director of the Veterans Employment Service, not the Regional and State Directors, to insure that the Assistant Secretary's position does not become a glorified Director position for the Veterans Employment Service.

Mr. Chairman, attached hereto you will find a compilation of other suggestions that we have made to improve or strengthen the language of the draft proposal. As you know, the time frame in which we have considered this draft measure has not allowed us the opportunity to thoroughly review its provisions, therefore, we may ask that additional comments by us be considered as the measure continues through the legislative process.

In addition, Mr. Chairman, the draft measure encompasses the intent of a number of resolutions adopted at our most recent National Convention held in Philadelphia, Pennsylvania, and those resolutions are attached hereto for your review. They are:

Resolution No. 642 -- "OPPOSE ANY CHANGES TO THE RESIDENCY REQUIREMENTS FOR VES STATE DIRECTORS"

Resolution No. 651 -- "MAINTAIN THE 52 VES-DOL SECRETARIAL POSITIONS"

Resolution No. 669 -- "PRESERVE VETERANS PREFERENCE IN EMPLOYMENT BLOCK GRANTS TO STATES"

Resolution No. 710 -- " FUNDING FOR VES"

Mr. Chairman, this concludes my testimony. I will be happy to respond to any questions you may have.

COMMENTS ON DISCUSSION DRAFT

Page 3 - On Line 13, should read "Special Disabled Veterans" for Sec. 2007(c)

Page 4 - Should read after the word shall: "be consulted by those officials of the Department of Labor who are directly concerned with the administration of employment, unemployment, and training programs or programs relating to the employment under Federal contracts where they impact on veterans." (Concerns a change from line 1 through line 5).

Page 5 - Line 20 delete the word "to" and in its place put "in"; in Line 21 delete the word "assigned" and put "appointed".

Page 7 - Line 13- Our organization is concerned over the nebulous phraseology of "timely fashion". We might suggest a specific period of time such as "six months".

Page 7 - Line 15 - We question why the State Directors would have to cooperate with employers for the indentification of veterans.

Page 7 - Line 21 - should read (11) "when requested shall assist federal/state agencies and private concerns in identifying and acquiring prosthetic and sensory aids and devices which tend to enhance the disabled veterans employability."

Page 8 - Line 2 - Cross out "subject to the availability of appropriations" and start "The Secretary of Labor shall..."

Page 8 - Line 24 - add the words "cooperate in the" preceding the word "development."

Page 9 - Line 14 - add the following after the word with, "and if not in compliance will take immediate (not more than two weeks) corrective action."

Page 9 - Line 25 - after the word secretary, add "for Veterans Employment."

Page 10 - Line 2 - We would like an explanation of the words personal and nonpersonal.

Page 11 - Line 12 - Delete the words, "taking into consideration" and in their place

put, "with special emphasis being given to--"

Page 11 - Line 9 - We feel that a reorganization of the paragraphs would be necessary. Such reorganization would be for the first paragraph to end at the word "organizations," and then a new section No. 2 would begin at the word, "before."

Page 14 - Line 3 - Our comments are that while we feel that the 5 percent figure is adequate, we suggest that wording should include a clause which will state that the amount of funds available for future years would never be less than that of the preceding year, i.e., establish a funding floor.

Page 15 - Line 11 - Add the words, "of Veterans Affairs."

Page 18 - Lines 5 through 10 should be clarified whereby the intent that the practice of labor unions negotiating away veterans' rights is no longer allowed.

Resolution No. 642

OPPOSE ANY CHANGES TO THE RESIDENCY REQUIREMENTS
FOR VES STATE DIRECTORS

WHEREAS, the Congress of the United States has enacted legislation providing for a Veterans Employment Service within the Department of Labor; and

WHEREAS, the act provides that the State Director of the Veterans Employment Service and the Assistant State Director of the Veterans Employment Service shall be an eligible veteran, and at the time of appointment, shall be a bonafide resident of the state for at least two years; and

WHEREAS, the assigning of a local state resident to the position of State Director and Assistant State Director is advantageous to the government and veterans, as the individual is knowledgeable of state programs as well as acquainted with state and local officials; now, therefore

BE IT RESOLVED, by the 82nd National Convention of the Veterans of Foreign Wars of the United States, that we go on record petitioning the Congress of the United States to oppose any changes to residency requirements for appointment of State Directors and Assistant State Directors of the Veterans Employment Service.

Adopted by the 82nd National Convention of the Veterans of Foreign Wars of the United States held in Philadelphia, Pennsylvania, August 14-20, 1981.

Resolution No. 642

Resolution No. 651

MAINTAIN THE 52 VES - DOL SECRETARIAL POSITIONS

WHEREAS, the Congress has enacted legislation for an effective Veterans Employment Service program within the Department of Labor; and,

WHEREAS, Chapter 41, Title 38, U S Code provides for staffing of the Veterans Employment Service necessary to carry out the mandates of Congress; and

WHEREAS, recently there was a move within the Department of Labor to eliminate the 52 field secretarial positions (one for each State); after debate the Congress provided sufficient funds to continue the secretarial positions; and

WHEREAS, an attempt to eliminate the 52 secretarial positions by the Employment and Training Administration of the Department of Labor is again being made; and

WHEREAS, the State Directors of the Veterans Employment Service will not be able to carry out their responsibilities as provided by law without secretarial help; now, therefore

BE IT RESOLVED, by the 82nd National Convention of the Veterans of Foreign Wars of the United States, that to prevent this secretarial staffing problem from re-occuring, that the wording of the statutory authority for the secretarial positions be amended under Section 2003, Chapter 41, Title 38, U.S. Code, to clearly indicate that the intent of Section 505 (amending Sect. 2003) is to mandate Federal Civil Service secretaries at the State Director level within the Veterans Employment Service.

Adopted by the 82nd National Convention of the Veterans of Foreign Wars of the United States held in Philadelphia, Pennsylvania, August 14-20, 1981.

Resolution No. 651

Resolution No. 669

PRESERVE VETERANS PREFERENCE IN EMPLOYMENT RELATED
BLOCK GRANTS TO STATES

WHEREAS, the President of the United States, in his message to Congress outlining his program for economic recovery, submitted the White House report on budget reform and proposed tax reductions; and

WHEREAS, the President suggested some 550 categorical grants should be consolidated into two block grant programs, one for health and social services and the other for education; and

WHEREAS, providing block grants to states and local agencies of government will result in the elimination of some 3,300 federal employees who presently administer the grant programs; and

WHEREAS, block grant funding to state and local governments will enable the states to plan and coordinate their own programs and establish their own priorities; and

WHEREAS, presently many federal funded programs provide special consideration and priorities for the nation's veterans; and

WHEREAS, providing block grants to states without congressional or other federal administrative requirements that veterans continue to receive special consideration and priority for services will eliminate many veterans from receiving services; now, therefore

BE IT RESOLVED, by the 82nd National Convention of the Veterans of Foreign Wars of the United States, that we go on record as petitioning the Administration and the Congress of the United States to provide that eligible veterans shall receive preference and special consideration in all employment and training related block grant programs funded by the federal government.

Adopted by the 82nd National Convention of the Veterans of Foreign Wars of the United States held in Philadelphia, Pennsylvania, August 14-20, 1981.

Resolution No. 669

Resolution No. 710

FUNDING FOR VES

WHEREAS, the Veterans of Foreign Wars has traditionally supported the provisions of Title 38, United States Code (USC) mandating priority and preferential services in all State Employment Service manpower activities for veterans, particularly disabled veterans; and

WHEREAS, the Vietnam Era Veterans Readjustment Acts of 1972 and 1974 updated these benefits, with special emphasis directed toward disabled veterans and veterans of the Vietnam era, the spouse of any veteran who has a total disability, permanent in nature, resulting from a service-connected disability, and to spouses of certain other eligible veterans (now termed "eligible persons"); and

WHEREAS, Public Law 93-508 of 1974 clarifies and strengthens Chapter 42 of Title 38, USC, insuring that affirmative action be taken by Federal Contractors to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era; and

WHEREAS, Title V of Public Law 96-466 further amends and strengthens Chapters 41, 42 and 43 of Title 38, USC, and appoints a full Assistant Secretary of Labor for Veterans' Employment to administer all DOL veteran-related programs and activities, including the functions of OVRR and those of OFCCP; and

WHEREAS, Title 38, USC, as amended, greatly expands the provision governing the operation of the Veterans Employment Service, adding legislatively-mandated full-time secretaries for the VES field staff, thereby demanding adequate manpower and funding therefor, as well as additional funds for the U.S. Department of Labor and the Employment Services throughout the country so as to enable the Veterans Employment Service to effectively carry out its added responsibilities; now, therefore

BE IT RESOLVED, by the 82nd National Convention of the Veterans of Foreign Wars of the United States, that we go on record as favoring adequate appropriations by the Congress to enable the Veterans Employment Service to provide preferential job counseling, training, and placement services for eligible veterans; and

BE IT FURTHER RESOLVED, that we petition the Congress of the United States to appropriate sufficient funds to these involved government agencies to insure that all of their legal responsibilities now imposed by Title 38, USC, as amended, are effectively discharged as intended by law.

Adopted by the 82nd National Convention of the Veterans of Foreign Wars of the United States held in Philadelphia, Pennsylvania, August 14-20, 1981.

Resolution No. 710

PREPARED STATEMENT OF JOHN F. TERZANO, VIETNAM VETERANS OF AMERICA

Mr. Chairman, I am honored to be here today to testify before the House Veterans Affairs Committee.

Mr. Chairman, when we talk about unemployment problems amongst Vietnam-era veterans, we are not talking about a problem that has recently evolved during this country's current economic crisis. We are, in fact, talking about a historical problem that is only exacerbated by the current situation. It is the personal history of veterans who have been in the employment market for a decade--some in and out of jobs, some drifting on the margin of the marketplace. That history provides an important guide to the present problem.

Vietnam-era veterans returned to an economy that historically, year after year, treated them poorly. The Vietnam-era veteran's average age was 23 at the time of separation. They had at least two years of employment history in the service. Yet upon their return, they faced consistently higher unemployment rates. From 1969, the earliest period for which we have statistics, until today, unemployment for the recently separated veteran has been higher than unemployment for their nonveteran peers with frightening consistency.

These figures suggest a problem more basic than any pattern of fluctuation, up or down. Unemployment among Vietnam veterans entering the civilian market has been persistently higher, nearly day in and day out, suggesting a higher underlying employment rate.

For most Vietnam veterans the transition from service to training, if necessary, and then employment was not hard. But the persistently higher underlying unemployment rate for recently separated veterans, bespeaks serious entry problems for many veterans.

These entry problems were not easily overcome. In 1970, 1971 and, 1972, Vietnam veterans aged 25-29 had persistently higher unemployment than their nonveteran peers.

This history continues: Vietnam veterans, aged 25-29, continue to face difficulties. From 1976 on their unemployment rate has exceeded that of their nonveteran peers.

These entry problems have created legitimate concern among Vietnam veterans. Marching off to war amid the refrains of a great society's promises, they returned to find that these promises did not extend to them--the society's defender. Many Vietnam veterans feel their trust in their country was betrayed. That sense of betrayal is a continuing climate which Vietnam veteran policy must address.

But equally, entry-level problems reflect, and create, continuing structural employment problems. For many Vietnam veterans, those structural employment problems create the present need.

Since May, 1977, Vietnam veteran employment, in the aggregate, has improved. But the improvement is sporadic, neither consistent nor consolidated. Over and above the persisting employment problems reflected in the underlying employment rate for veterans there have been disturbing fluctuations in the unemployment figures.

And, Mr. Chairman, as we sit here today, the unemployment figures for the country along are devastating, but Vietnam-era veterans are hit especially hard.

It is not hard to see why. For, in the contemporary marketplace, delays in entry translate into continuing employment problems under policies of "last hired, first fired." As a result, I would suspect that Vietnam veterans who have been laid off constitute a disproportionate segment of the total unemployed.

Similarly, Vietnam veterans, who had difficulty securing employment because they lacked crucial training, face continuing structural difficulties.

So what is the answer. Is it a major initiative that will channel a 100 million dollars into a program? That would be nice and I would wager that if it was managed correctly it would be a cost-effective program. But, let's be realistic, this Congress let alone this administration would never support a program of that magnitude even though it is needed and I might add well deserved.

Mr. Chairman, the proposed legislation that is before us is simple and to the point. It will, I feel, adequately address and meet the needs of the unemployed veteran.

First, it consolidates and shores up the existing VES, through line-item funding of the DVOP and VER's. This is extremely important, for as we all know, the VES has been decimated because of the budget cuts and, with secure positions, the DVOP's and VER's will be able to devote their time to the unemployed veteran instead of worrying about whether or not they will have a job.

Second, the proposed legislation sets up a grant program administered by the ASVE. Mr. Chairman, I know that there are individuals and organizations who are opposed to this provision. They feel that it is a duplication of services already administered by the VES. Well, Mr. Chairman, I submit that those who are against this provision know very little about the history and the problems of the Vietnam veteran.

For it was basically this same argument that was used over and over again against what has proved to be the most successful readjustment program for Vietnam veterans--the Vet Centers. And what is proposed here is nothing new, nor will it be expensive. The Targeted Technical Assistance Program which was cut last year has been called a tremendous success by the Department of Labor. It was a program that did not compete with the traditional services provided but, in fact, complemented those services.

Networking is the key. The Vet Centers are successful because of networking and so was the TTA program. This proposed legislation reestablishes a program that has proven not only its ability to get the job done but to do it cost effectively.

Mr. Chairman, the proposed legislation is not a panacea for the problems of the unemployed veteran. Nor was it designed to be. What it is is a resasonable approach, given the current economic situation, to a historical problem, and you can count on our support."

I thank you.

News United States Department of Labor

Office of Information Washington, D.C. 20210

USDL -

Contact: J.T. Hashian
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For Release: Immediate
Wednesday,
March 10, 1982

DONOVAN ANNOUNCES NEW TRAINING BILL TO SUCCEED CETA IN FISCAL '83

Secretary of Labor Raymond J. Donovan today unveiled the Reagan Administration's new training Legislative proposal designed to succeed CETA in Fiscal Year 1983.

The bill introduced in the Senate yesterday by Senator Dan Quayle and co-sponsored by Senator Orrin G. Hatch, calls for an authorization of $2.4 billion the first year. It focuses sharply on private sector training programs for welfare recipients and youth through block grants to the states.

"These groups have traditionally had difficulty in gaining a foothold on our economic ladder and our goal is to get them back into the mainstream of the economy," the Secretary said.

Donovan pointed out that program operators would be able to use 10 to 15 percent of their funds for other persons with labor market disadvantages, primarily displaced workers.

"President Reagan has made an historic decision to chart a new course for job training. Previous efforts attempted to serve too many groups with little impact. We propose now to narrow the focus and dramatically increase the impact of our resources."

The Secretary said that "classroom and on-the-job training, the most cost effective of the training strategies used over the last seven years, will be the allowable training methods.

"Private Industry must play a major role in focusing training activities now and in the years to come so that we can prepare more adequately for our employment needs, "Donovan said.

The thrust of the training will be in the areas of skill shortages--those occupations identified as being in short supply in the local labor market.

The governors will be asked to establish a Job Training Council composed of private business management, local elected officials, vocational education, and community based organizations, to provide statewide direction for the program.

"The Private Industry Councils (PICS) created under Title VII of CETA, will be the major planning agency at the local level," the Secretary said. "They will be able to make the determinations regarding skill shortages because of their involvement in the local business community."

"In the final analysis, the Nation, with heavy reliance on private sector leadership and direction, should see the end of false expectations and the establishment of a training program that really works."

JOB TRAINING ACT OF 1982

SUMMARY

The Administration has submitted to Congress legislation which will provide a program to prepare those persons most in need of assistance for full-time, unsubsidized employment.

To carry out the purposes of the Act the legislation authorizes to be appropriated $4.387 billion for Fiscal Year (FY) 1983 and such sums as may be necessary for FY 1984 through FY 1987. Funds appropriated under the Act may be obligated through the Fiscal Year succeeding appropriation, and may be expended for two years from the date of obligation.

TITLE I--JOB TRAINING GRANTS TO STATES

This title describes the program which will be funded to State governments to provide job training to individuals most in need of assistance. The program will be operated through a grant from the Department of Labor to each of the 50 States, with the State government having primary responsibility for the design and management of the program.

Of the total funds available under this title, 97 percent is distributed to the States. Of the total, 72 percent (minus $2.5 million for the Trust Territories) is to be distributed to the States by formula, based on the number of AFDC recipients, number of low income youth and number of long term unemployed in each State; and 25 percent is to be distributed based on successful achievement of performance standards. The remaining 3 percent will be used in carrying out the Secretary's responsibilities. Local political jurisdictions with a population of 500,000 or more are guaranteed a formula pass through of funds for the jurisdiction based on the same considerations as those used in the distribution formula for States.

This title provides for a State Job Training Council appointed by the Governor from persons nominated by local elected officials and business persons which consists of at least 51 percent upper management of private business, 20 percent local elected officials, and the rest representative of State Employment Service (ES), vocational education, organized labor, community based organizations (CBOs) and other interested groups. This council not only advises the Governor, but, with the Governor's approval, designates substate service delivery areas, determines resource allocation

to the substate areas, approves substate service delivery area plans formulated by local Private Industry Councils (PICs), develops the State's performance standards, and reviews and comments to the Governor on the State ES plan. In addition, the State Council promotes linkages and performs the functions previously performed by any State council established by State law under the Wagner-Peyser Act. At the Governor's discretion, the council may perform the functions of the State Apprenticeship Council.

In addition to those political jurisdictions of 500,000 or greater, other areas within the State may be designated by the State Job Training Council and Governor as substate service delivery areas. Such areas should relate to labor market areas and can be added to the guaranteed substate service delivery areas of 500,000 or greater population. The bill encourages State Job Training Councils to give strong consideration to designating rural Concentrated Employment Programs as substate service delivery areas.

Each substate service delivery area will have a PIC appointed by the Governor from persons nominated by local public officials and business persons. The PIC will consist of a majority of persons who are upper management of private-for-profit businesses. The remaining membership will include significant numbers of elected local public officials, and representatives from the State ES, vocational education, organized labor, CBOs, and other interested groups. The PIC will plan, for submission to the State, the substate program, including utilization of funds; persons to be served; types of training and services; industries, occupations, content, and quality of training; and entities to administer the program and to provide training and services. In addition the PIC will perform the function of any WIN labor market advisory council, and with the Governor's encouragement, shall coordinate with or integrate the functions of the local Job Service Employer Committee.

Persons eligible under this title are members of AFDC families and out-of-school economically disadvantaged youth, 16 through 25 years old. Ten percent of the funds may be used to serve other persons, including veterans, in-school youth, older workers and displaced workers. In those States with a serious displaced worker problem, up to an additional 5 percent of the funds may be used to match other funds to serve displaced workers.

Activities which are permitted under this title include on-the-job and classroom training, placement assistance, vocational education, remedial and basic education, employability assessment, and supportive services. All training will be designed to emphasize quality and results, and will be in skill shortage occupations.

The bill limits administrative costs to 15 percent and supportive services to 10 percent of the State's allocation. No allowances or participant wages will be paid.

TITLE II--SECRETARY'S RESPONSIBILITIES

Title II of the bill provides for specific responsibilities of the Secretary of Labor to maintain sound management of the program including performance standards, monitoring, auditing, corrective actions, administrative adjudications, reallocation, reports, research and evaluation, and technical assistance. The Secretary's performance standards which will emphasize participant outcomes will take into consideration legitimate variations among the States.

Award of funds under the Act is contingent upon satisfactory progress of recipients on corrective actions. The bill provides that funds misspent due to fraud, willfull disregard or gross negligence may be recovered from recipient funds other than those appropriated under this Act.

This title also authorizes the Secretary to provide specific services to Native Americans, migrant and seasonal farmworkers, older workers, and veterans. Additional target groups with special labor market disadvantages, such as displaced workers and offenders, may be served under this title.

TITLE III--JOB CORPS

This title transfers the authority for the Job Corps to this Act and redesignates appropriate section numbers.

TITLE IV--NATIONAL COMMISSION ON TRAINING AND EMPLOYMENT

This title establishes a national commission which is similar in purpose, membership, and function to the current National Commission for Employment Policy under the Comprehensive Employment and Training Act (CETA).

TITLE V-- GENERAL PROVISIONS

STATE OF ALABAMA

Veterans of Foreign Wars of the United States

PHONE 263-5797 • 304 DEXTER AVENUE • P. O. BOX 4367 • MONTGOMERY, ALABAMA 36101

Gordon Shewmake
State Commander

James Allgood
State Adj.-QM

June 9, 1982

The Honorable Robert W. Edgar, Chairman
Sub-Committee on Education, Training,
and Employment
Committee on Veterans' Affairs
2442 Rayburn House Office Building
Washington, D. C. 20515

Dear Chairman Edgar:

I wish to commend the Sub-Committee on Education, Training, and Employment and its chairman for the writing of a piece of legislation (H. R. 6440) which will greatly strengthen the veterans' employment programs administered by the U. S. Department of Labor. Although Alabama veterans would endorse most of the provisions of H. R. 6440, we wish to propose three changes in this bill. A brief summary on these proposed changes follows:

1. Section 6(a)(1), Part b(b)(1) states "shall be an eligible veteran who at the time of appointment has been a bona fide resident of the state for at least two years or has served as a state or assistant state veterans employment director for at least two years". We urge you to amend this proposed legislation by striking the phrase "or has served as a state or assistant state veterans employment director for at least two years". The retention of this phrase in the legislation, if enacted, would open up the proverbial "can of worms". The Veterans Employment Service is closely associated with the veterans' organizations of our state. We insist that employees of the Veterans Employment Service in Alabama be restricted to eligible Alabama veterans. If this phrase is retained in the legislation, a single vacancy in any state could conceivably create no less than 100 professional applicants for the vacancy. This would make it necessary for the Assistant Secretary of Labor to shift through all of the political maneuverings of his own field people who could be seeking this single assignment.

   Veterans of Alabama and of all states would be better served if the residence requirement is retained in the Act as it now occurs in Section 2003 of Title 38, USC (P. L. 96-466).

2. Disabled Veterans Outreach Program Specialists - Section 7 of H. R. 6440 provides that this program shall be funded from general revenues. This provision pleases us very much; however, we believe the DVOP program would be strengthened and the public employment service program strengthened if the language of this proposed amendment (paragraph 5) would clearly state that the 2,000 DVOP positions are intended to be in addition to the authorized staff level of the Employment Service for FY 1982 of 24,800. We urge the addition of such language to H. R. 6440.

3. Section 10(a)(1). We support the intent of the new section 2009 which would create a national veterans employment assistance program. However, we believe that part (a) of this new section duplicates to a major degree services already available through the public employment service, especially the provision of job counseling and job placement services to veterans. Job counseling services are already available through the public employment service, the Veterans Administration, the State Department of Education, and the more than 30 technical and trade schools located in Alabama. The identical situation exists in other states. Grants for job training services have usually been successful in Alabama either through Veterans Administration, the Department of Labor, or other training authorities. However, job placement services contracted to "qualified" recipients in Alabama have generally been less than successful.

   Since the State Employment Service gives statewide coverage in services to veterans, we would recommend that (1) grants be made available to state training agencies for training veterans, (2) that eligible veterans be referred to those training agencies by the State Employment Service, (3) that cooperative efforts by the State Employment Service and the training agency be utilized in job search for trainees completing their training program.

   This would utilize the system you now have without duplication and would prevent the "mushrooming" of a multitude of training and placement agencies that might develop under the proposed system of grants. We already have in this state employees of the State Employment Service and employees of the private industry council (CETA) calling on employers in job development programs. It would not be productive or cost effective to establish another system for this purpose.

   We urge you to consider amending Section 2009 to make greater use of current facilities rather than developing new training and job placement agencies.

With the changes suggested, this very fine piece of legislation would be quite successful in Alabama.

Sincerely yours,

James C. Oates
Editor
Alabama VFW News

The American Legion ★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006 ★ (202) 861-2700 ★

For God and Country

June 11, 1982

Honorable Robert W. Edgar, Chairman
Veterans Affairs Subcommittee on
Education, Training & Employment
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Edgar:

With the understanding that the Education, Training and Employment Subcommittee will hear testimony on your bill, H.R. 6440, to improve job training and job placement programs for veterans, The American Legion requests that this letter be placed in the record in lieu of a formal statement. As you know, we have testified before your subcommittee, as well as several others, on numerous occasions this year in support of initiatives such as that embodied in H.R. 6440. Moreover, there is very little that the Legion can add to the record which has not already been stated again and again.

It has been the consistent contention of this organization that the Veterans Employment Service (VES) must have more authority and control over veterans employment and training programs administered by the Department of Labor. Veterans programs are currently fragmented with no clear lines of authority or control. In their present form, chapters 41, 42 and 43 of title 38, USC are too loose even though the intent of these chapters is and has been sound. What is needed is clarity with specifically assigned responsibility for carrying out and enforcing the requirements of veterans programs. Only with remedial legislation, in our view, can the office of Assistant Secretary of Labor for Veterans Employment be truly responsive to and accountable for the employment training needs of veterans.

It is the belief of The American Legion that H.R. 6440, if adopted, will successfully address the problems afflicting existing veterans employment / training programs which have been so persistent and nettlesome. In a sweeping and comprehensive fashion, H.R. 6440 can be expected, once and for all, to provide clarity, authority and enforcement to chapters 41-43.

We urge you and your subcommittee to report this legislation at the earliest possible date. Recognizing the extensive period of time already spent by your subcommittee since last November on the issue, we believe that H.R. 6440 represents the best approach to tightening veterans employment / training programs. In that regard, Mr. Chairman, you are to be commended for your diligence and leadership throughout the entire process of pursuing this important and timely issue.

Sincerely,

Phil

E. Philip Riggin, Director
National Legislative Commission

cc: All respective members of the above Subcommittee.

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ALBERT LEE SMITH, ALA.
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MARK D. SILJANDER, MICH.

June 15, 1982

Honorable William H. Natcher
Chairman
Subcommittee on Labor, Health and
Human Services and Education
2358 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

We are writing to request your assistance in providing line-item funding for the Disabled Veterans Outreach Program (DVOP) and a specific program of grants to the states for veterans employment services at the community level to be administered by the Department of Labor within the Fiscal Year 1983 appropriation.

The Appropriations Act for the Department of Labor for Fiscal Year 1982, identified $43 million within the budget for the United States Employment Service for the Disabled Veterans Outreach Program (DVOP). The program has provided very specialized job counseling and placement services for Vietnam Era and disabled veterans. The program, made permanent by Public Law 96-466, also raised the number of DVOP personnel to approximately 2000, or one position for every 5,300 Vietnam Era and disabled veterans. We are very grateful for your assistance and the support for the program within the appropriations bill as approved in the House last year. However, as you know, in the compromise agreement with the Senate, funding for the improved DVOP Program, instead of remaining a separate, distinct appropriation was again merged within the general budget ceiling for the Employment Service which is derived from funds under the Federal Employment and Training Act (FUTA).

As a result of budget reductions impacted by the continuing resolution for Fiscal Year 1982, the DVOP Program, along with the Employment Service, continues to be underfunded and once again lacks full implementation. Under these circumstances, the DVOP Program has in many ways become a burden for the already undermanned employment service. The mandated levels of employment assistance to Vietnam Era and disabled veterans are not reaching the targeted community as well.

Funding for the DVOP Program has become a chronic and persistent problem for the House Committee on Veterans Affairs. The Subcommittee on Education, Training and Employment has already held three hearings over the past nine months on the issue. As a result, the Subcommittee will meet in the near future to consider legislation, H.R. 6440, which requests a distinct appropriation for these programs. At recent hearings, a discussion draft of the proposed bill received the enthusiastic endorsement of every major veterans organization. Funding, as specified by H.R. 6440, would be taken from general revenues. We realize, though, that the actual source of the funds, whether from general revenues, or, as now, from FUTA funds, will be irrevelant unless those funds are provided in addition to full funding for the United States Employment Service. However, we are well aware that we cannot accomplish this goal without your help and the assistance of the Appropriations Committee.

The same legislation, H.R. 6440, also calls for a "National Employment and Assistance Program" to be administered by the Assistant Secretary of Labor for Veterans Employment. The program would provide funding, subject, as well, to appropriations, through grants to the states for community based and nonprofit organizations to assist veterans in job counseling, training and employment. Similar legislative language has already been reported by the House Education and Labor Committee in their new Federal Employment and Training Bill, although no specific funds for this veterans program have been set aside to date.

Community based veterans employment and counseling programs have proven themselves effective over the years in providing a unique service, particularly to Vietnam Era veterans who have a documented distrust of traditional services. However, to avoid duplication of services already provided by the Employment Service, our legisation specifically directs the Assistant Secretary of Labor for Veterans Employment to review and allocate these funds under the National Employment Assistance Program to achieve the most impact either in areas of high veteran unemployment or in locations where there is a lack of traditional service. Noting the unique needs of many Vietnam veterans, we feel that this program is necessary to compliment and not duplicate existing services. If properly administered, an appropriation of approximately $10 million out of existing funds allocated for the replacement of the CETA program for Fiscal Year 1983, could continue to target these very valuable services to Vietnam Era veterans with the most need.

The current unemployment rate among Vietnam Era veterans is the highest since the end of the Vietnam Conflict in 1973. Well over 700,000 Vietnam Era veterans are currently seeking employment. Significantly, the unemployment rate for this group of veterans is higher, in every age category, than their nonveteran peers. Many estimates indicate that up to 400,000 additional Vietnam Era veterans have joined the ranks of discouraged workers who do not even appear on the regular reporting systems of the Department of Labor. Faced with these facts, our Subcommittee is making a concerted effort to tailor and tighten existing programs for these veterans. We would greatly appreciate any assistance you could give us in this regard and would be happy to discuss this problem with you at your convenience.

Thank you again for your time and interest in this matter.

Sincerely,

BOB EDGAR
Chairman
Subcommittee on Education,
Training and Employment

MARGARET M. HECKLER
Ranking Minority Member
Subcommittee on Education,
Training and Employment

INC

329 EIGHTH STREET NE, WASHINGTON, DC 20002 202/546-3700

June 21, 1982

The Honorable Robert W. Edgar
U. S. House of Representatives
2442 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Edgar:

The Vietnam Veterans of America strongly supports your efforts to improve job training and job placement programs for Vietnam-era veterans.

There is, undeniably, a need and an obligation to address the current unemployment problems amongst Vietnam veterans. And while H.R. 6440 is not a panacea for the problems of the unemployed veteran, it is a reasonable approach, given the current economic situation, to a historical problem.

I must commend you, Mr. Edgar, for including in this legislation a provision that would establish a program, administered by the Assistant Secretary for Veterans Employment, for job counseling services, job training services and job placement services. The VVA strongly feels that this provision is a major lynchpin in beginning to solve the unemployment problems among veterans. As you know, by the VA's own estimate, almost 50% of those individuals who utilize the Vet Centers need employment counseling . And today, unfortunately, there are no places a Vet Center counselor can refer these individuals to receive the type of employment counseling that is needed.

But, by enacting this provision, a program will be established that is not in competition with, nor a duplication of, existing VES services. In fact, this program will complement those services provided by VES.

We are hopeful that our supporters on the Committee will join you in your legislation. We are confident that the strong leaderhsip you and Congressman Tom Dashle provide will result in passage of H.R. 6440.

We thank you for your help.

Sincerely,

Robert O. Muller
Executive Director

ROM/ml

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

ONE MASSACHUSETTS AVENUE, NORTHWEST • WASHINGTON, D.C., 20001 • (202) 789-0031

22 June 1982

The Honorable Robert W. Edgar
Chairman, Subcommittee on Education,
Training and Employment
Veterans' Affairs Committee
House of Representatives
Washington, D.C. 20515

Dear Mr. Edgar:

I testified on May 4, 1982 in support of the reemployment provision in H.R. 5209 which would secure the employment rights of Guardsmen and Reservists who are ordered to military schools greater than 90 days in duration. The unwarranted interpretation of recent courts' decisions by the Bureau of Veterans' Reemployment Rights of the United States Department of Labor made this legislation necessary.

I have determined that the Administration's substitute provision in H.R. 6440 will provide adequate notice to employer and Guardsman/employee alike of their respective rights under the law and will thus enable Guardsmen and Reservists to go to military schools without losing their jobs. National Guard and Reserve readiness will be maintained and improved by passage of this legislation.

Sincerely,

FRANCIS S. GREENLIEF
Major General, NGUS (Ret.)
Executive Vice President

STATEMENT OF DONALD J. DEVINE
DIRECTOR
OFFICE OF PERSONNEL MANAGEMENT
BEFORE THE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
U.S. HOUSE OF REPRESENTATIVES
ON H.R. 6440
VETERANS' EMPLOYMENT ASSISTANCE ACT OF 1982

June 22, 1982

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to provide a statement for the record on H.R. 6440, a bill that proposes to improve the counseling, hiring, and training of veterans for private and public employment under programs administered by the Department of Labor through State employment service offices. The bill would accomplish this by amending the veterans' benefits laws governing these programs in title 38, United States Code.

We fully support the goal of providing effective employment assistance for veterans throughout the private and public sectors of the economy. In Federal employment, the Office of Personnel Management has general oversight responsibility for compliance with the civil service laws, rules, and regulations, including the requirements for veterans' preference, in title 5, United States Code. In view of the special sacrifice of those who have served in our Nation's armed forces, I am committed to see that their rights in Federal employment are continued and enforced.

I have a concern that some of the provisions in H.R. 6440 which directly affect Federal employment would conflict with laws for veterans' preference and competitive appointments, lead to confusion over veterans' entitlements, and require duplicate reporting. I would like to request that the Office of Personnel Management's report on H.R. 6440 be placed in the record, since it provides our detailed views. I wish to take this opportunity to explain our concerns about two particular sections of the bill.

Section 6 would amend 38 U.S.C. 2003 to require application of the definition of veteran in 38 U.S.C. 2011 for the appointments of Federal clerical staff to assist each State's veterans' employment director and of the Department of Labor's regional directors for veterans' employment. Normally for Federal employment purposes, candidates must meet the definitions in 5 U.S.C. 2108 to qualify for veterans' preference. The definitions in title 5 originated with the Veterans' Preference Act of 1944.

To require use of the title 38 definition of veteran for Federal appointments raises legal issues because it is not the same as the title 5 definition. Veterans under one law are not necessarily veterans under the other. Under title 38, veterans must have served more than 180 days and received an other than dishonorable discharge. Under title 5, veterans are qualified who served during a war or in a campaign or expedition for which a campaign badge has been authorized without regard to length of service. However, veterans under title 5 must have been separated under honorable conditions. Under title 38, persons are considered veterans regardless of when they leave the armed forces, whereas under title 5, the qualifying period of peacetime service for veterans' preference ended in 1976. Under title 5, the unmarried spouses of deceased veterans, the spouses of disabled veterans who cannot qualify for civil service appointment, and, under certain conditions, the mothers of veterans who died in service or who are totally disabled, are entitled to veterans' preference. Title 38 makes no such provision.

The reasons for the different definitions of who is eligible to be considered a veteran would appear to result from the different objectives of each body of law. The title 38 definitions are designed to identify who is eligible for Labor's counseling, hiring, and training programs for general

private and public employment purposes. The title 5 definitions were developed and amended over many years for specific use in the Federal civil service. We believe it is in the interest of veterans to avoid any confusion between these laws and their resulting entitlements.

We note that 38 U.S.C. 2014, which deals with Federal employment, expressly defers to the civil service definition of veteran. Accordingly, we recommend that references to the 38 U.S.C. 2011 definitions for use in Federal appointment be dropped from section 6.

Section 13 would amend 38 U.S.C. 2014 to require every Federal agency to list immediately all jobs open to the general public with local employment service offices. The section directs employment service offices to give veterans priority in referral to those openings. Veterans could complain to OPM if an agency failed to list a vacancy and OPM must investigate the complaint. Any veteran could complain to OPM if the veteran felt that any Federal agency was not carrying out properly its responsibility for affirmative action for disabled veterans, even if the veteran was not directly affected. The section would also require OPM to add to its semiannual report on veterans' readjustment and disabled veteran appointments and affirmative action activities for the handicapped, data on the number of job openings listed, veterans referred, veterans selected, and complaints filed.

We foresee problems with section 13. As with section 6 it would place in title 38 requirements which are similar but different from requirements already found in title 5. Under 5 U.S.C. 3327, OPM and most agencies are required to provide employment service offices with vacancy information. The Postal Service is not covered under this section since it is outside the

competitive service. Unlike the title 5 provision, the proposed change in title 38 overlooks OPM's competitive examination system as the primary source for agencies seeking to fill competitive service vacancies. Under this merit system, veterans in competition with other candidates, receive preference for appointment through an established system of relative priorities, as required by the Federal personnel laws of title 5.

Under the title 38 proposal, agencies would be obligated to notify the local employment service of vacancies which they intend to fill from OPM examinations. Such an arrangement would be confusing to veterans and others seeking jobs as to whether to contact OPM or the employment service and would place unnecessary and redundant workload burdens on the employment service, agencies, and OPM. The requirement in the title 38 proposal to give priority in referrals to veterans also is at odds with the title 5 requirements. For example, under Federal personnel laws, disabled veterans must receive consideration for appointment before other veterans and nonveterans.

The provision of section 13 which permits "Any veteran who believes that a department...has failed to comply with paragraph (1) or (2)..." to file a complaint with OPM gives us particular concern. It requires OPM to investigate such complaints promptly. This paragraph establishes a precedent by permitting a private right of action under an affirmative action program. It would mean that any veteran could complain to OPM about the action of any agency regardless of whether the veteran was directly affected. This would be administratively burdensome to OPM, which does not have the resources to assume a new, complaint-generated workload.

All things considered, I think it would be preferable to delete section 13. Since most agencies are already required to list vacancies with employment service offices under title 5, and since 38 U.S.C. 2007(c) requires the Secretary of Labor to report annually to the Congress in detail on activities of the Department of Labor and the State employment service offices in counseling, training, and placement services for veterans, key features of section 13 are in operation. As indicated, the new items section 13 introduces would entail many problems.

I appreciate the chance to provide our observations and recommendations on this legislation.

TESTIMONY OF
PETER B. CURRIER
AMVETS DEPUTY NATIONAL SERVICE AND LEGISLATIVE DIRECTOR
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING, ~~AND EMPLOYMENT~~
OF THE
HOUSE VETERANS AFFAIRS COMMITTEE
JUNE 22, 1982

Good morning Mr. Chairman, and on behalf of AMVETS I thank you for the opportunity to comment on H.R. 6440.

In prior testimony before this subcommittee on May 4, 1982, AMVETS' favorable reaction to the draft of H.R. 6440 was presented. Since that date, the ranks of unemployed veterans have further increased to the point where the timeliness of such legislation is underscored.

We are in favor of the provisions of the bill as relates to the Veterans Employment Service. The incorporation of a residency requirement to a degree insures that the appointee shall be familiar with the needs of the veterans in his state.

The proposed revision of section 2003(b), clause (6), will allow greater control by the State Director of job programs within each state. It is our hope that each state director will assume a functional role of leadership in the placement of veterans as a result of this legislation.

AMVETS is particularly pleased with the provisions relating to the Disabled Veterans Outreach Program. By amending Section 7(a), Subsection (a) of section 2003A as indicated, we feel that there is built in a guarantee that federal grants to states may not be redirected for other uses by states. This will preclude any further watering down of the DVOP program within states.

AMVETS also views favorably the provision of H.R. 6440 which provides for the allowance for grants to "appropriate grantees under other Federal employment and training programs." We know that there are many community based organizations who, with proper funding and guidance, can and will adequately address local veterans employment problems. Currently they lack any commitment from those in a position to provide resources and as such their hands are bound. AMVETS feels that H.R. 6440 provides such a commitment.

Mr. Chairman, AMVETS commends you and the members of this subcommittee for acting responsibly on the issue of veterans employment. Your assumption of a leadership role in this area is refreshing since others have apparently turned their backs on veterans by allowing all employment programs to die. Mr. Chairman, once I had the opportunity to speak with an unemployed veteran who admirably put things in perspective when he stated that, "To the employed there is no unemployment problem. How can the government fully appreciate my plight from its ivory tower? How can they appreciate bankruptcy, foreclosures, and the hunger of my children?" Mr. Chairman, these questions

were asked more out of anguish than anger. They are reflective of the feelings of millions, however, and cannot be ignored. AMVETS is supportive of H.R. 6440 and favors its swift enactment.

To further demonstrate the need for swift enactment of H.R. 6440 and in closing, we would make further reference to our testimony of May 4 before this committee.

In that testimony we stated our puzzlement at a strange paradox which has been fostered and nurtured by the current administration. An increase in Gross National Product is said to be the solution to the economic woes of America, yet by creating ever increasing rolls of the unemployed, the administration gives the appearance of heading away from a solution rather than meeting the problem face on. Since our last testimony, the number of unemployed Vietnam veterans has swelled to nearly 1 million. That means 40 million man-hours of productivity last week were lost to industry. If those million remain unemployed for a year, then, at a median income of $15,000 annually, 15 billion dollars are lost the economy.

Mr. Chairman, we have restated the above to emphasize the importance of farsighted legislation such as H.R. 6440. It is our hope that Congress will act soon and favorably on it and that similar action will be taken on the Senate side.

This concludes our testimony.

96-588 O—82——11

American Veterans of World War II Korea-Vietnam

June 24, 1982

The Honorable Robert W. Edgar
U. S. House of Representatives
2442 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Edgar:

Enclosed please find our comments pertaining to the testimony of William C. Plowden, Jr., Assistant Secretary of Labor for Veterans Employment before your Subcommittee on Education, Training, and Employment on June 22, 1982.

I appreciate the opportunity to submit the supplemental comments and look forward to working with you in the future. Should there be any questions regarding these comments, please do not hesitate to contact me.

Sincerely,

Peter B. Currier
Deputy National Service
and Legislative Director

Enclosure

PBC/jd

SUPPLEMENTAL COMMENTS
OFFERED TO THE
SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
HOUSE VETERANS AFFAIRS COMMITTEE

June 22, 1982

Mr. Chairman, we appreciate the opportunity to comment on the testimony offered by William C. Plowden, Jr., Assistant Secretary of Labor for Veterans Employment given before your Subcommittee on June 22, 1982.

We wish to comment on the statement by Mr. Plowden on page 2 of his testimony reference to the DVOP program. Although we understand that the provisions are that staffing of this program be returned to the original 2,000 in number, we have serious misgivings as to whether there are, in fact, 2,000 veterans presently located in job offices as DVOP Representatives. We certainly would like to see this figure achieved, however, we question as to whether or not there are at present 2,000 representatives as indicated by Mr. Plowden in his testimony.

Reference is made to another statement by Mr. Plowden on page 2 of his testimony regarding Job Service Offices. We are aware that Job Service Offices are staffed by an individual to serve as the local veteran employment representative. However, we feel that this position should be staffed by a veteran in order to better understand the needs of the clients served. It is felt by AMVETS that veterans serving veterans in these positions is the best policy to follow.

Mr. Chairman, we would make reference to Mr. Plowden's statement on page 4 of his testimony wherein he says that he believes that existing law provides generally for the same breadth of program authority as provided for in H.R. 6440. While quite possibly there is existing authority to conduct such programs, the fact remains that no such programs are being maintained. Additionally, we feel that the provision of H.R. 6440 which provides for administration of grants to private nonprofit organizations is an important key to the authorization provided for by H.R. 6440. With this as a vehicle, concerned community based organizations can provide a localized reemployment effort for veterans with possibly more success than more grandiose programs administered nationally. With this in mind, we would disagree with Mr. Plowden's assessment that this important legislation is unnecessary.

AMVETS generally agrees that a residency requirement may be a useful tool for the purposes of qualifying individuals to the position of State Directors for Veterans Employment. However, we do not feel that there is a need for rigidity in the application of this provision. That is to say, Mr. Chairman, that we believe that, to every extent possible, qualified individuals within states in need of Directors should be identified to enable them to more adequately deal with the employment situations indigenous to their states. However, in the absence of qualified individuals within the state boundaries we would favor the provision which would allow for the secretary to go outside of state boundaries to identify individuals in other locales for these positions.

AMVETS is also concerned with Mr. Plowden's statements on page 6 of his testimony making reference to the obligation to exercise a functional responsibility for the participation of veterans in Federal employment in training programs and of job listings referrals and complaints under the Federal Contractor Job Listing Program. While this obligation is clearly stated in other documents, AMVETS feels that the restatement provided in H.R. 6440 is necessary as a reemphasis of the obligation the Veterans Employment Service has to the unemployed veterans of America. AMVETS is grateful that Mr. Plowden and his field staff are intent on continuing a functional oversight of all veterans employment and training programs and certainly hope that very shortly such employment and training programs will be manifest.

AMVETS feels that the continuation of a quarterly reporting system for Federal contractors, as regards the number of new hires for the period, is essential if any measure of compliance is to be maintained. It is felt that these reports, if used properly, can provide a greater direction toward the maintenance of affirmative action as relates to veterans. We would favor Mr. Plowden's proposal to implement an approach that stresses the benefits of listing jobs for job service and hiring veterans. However, in and of itself this is no more than an advertising campaign.

On page 9, Mr. Chairman, and in his testimony, Mr. Plowden makes reference to the necessity, or more accurately the lack of necessity, to establish a committee on veterans affairs.

AMVETS favors the establishment of such a committee and, as such, favors this aspect of H.R. 6440 since this provision would act somewhat as a mandate to ensure greater communications between the Secretary of Labor and veterans organizations. Providing for a formal structured committee would not add bureaucratic requirements but, in fact, would add substance in the form of a direct line of communications and the opportunity to present differing opinion to the betterment of veterans employment programs nationally. Mr. Chairman, these are our initial reactions to the statement offered by Assistant Secretary of Labor for Veterans Employment, William C. Plowden, Jr., before your Subcommittee on Education, Training, and Employment on June 22, 1982. We would be happy to respond in greater detail to any questions you may have regarding these comments. At this time we wish to reiterate our wholehearted support of H.R. 6440 now being considered by your committee.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT
HOUSE VETERANS AFFAIRS COMMITTEE
JUNE 22, 1982

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 718,000 members of the Disabled American Veterans, I would like to take this opportunity to thank you for conducting additional hearings on proposed amendments in H.R. 6440 to Title 38, U.S. Code as it pertains to veterans' employment programs.

Mr. Chairman, over the past decade we have been handed excuses rather than reasons why veterans' employment and training programs have not worked. We believe the provisions in H.R. 6440 would, among other things, confer on the Veterans' Employment Service the responsibility, authority and accountability so badly needed to assure future program success.

In our testimony of May 4, 1982, we discussed the changes relative to the assignment of clerical support as federal employees; the funding of the Disabled Veterans Outreach Program from general appropriations; and providing the authority to the Assistant Secretary of Labor for Veterans' Employment to administer the Disabled Veterans Outreach Program funds.

Mr. Chairman, we cannot emphasize strongly enough the views of the Disabled American Veterans that, at a minimum, the Assistant Secretary of Labor for Veterans' Employment must have the authority to administer funds for all employment and training programs for veterans. Without that fiscal control, we fear that future employment and training programs will not adequately serve the veteran population. Without some accountability, local administrators will spend future monies as they see fit.

We believe that by providing authority to the Assistant Secretary to administer DVOP funds, we can come closer to being assured that all DVOP positions will be filled. We do not have that assurance at the present time.

Mr. Chairman, we would like to comment further on specific provisions of the bill.

SECTION 3

Among other things, Section 3 would delete the definition of "special disabled veteran" as one who has a disability rated at 30% or more. Mr. Chairman, we believe that this amendment is necessary to attain consistency. When the provision for "special

disabled veterans" was added by Public Law 93-508 (for purposes of affirmative action by federal contractors), that same legislation reduced from 30% to 10% the basic eligibility for vocational rehabilitation under the Veterans Administration. It is our firm belief that all disabled veterans should be included for affirmative action purposes in order to correct this inequity and to maintain consistency of definitions. It is interesting to note that for purposes of affirmative action and veterans' preference within the federal sector, there is no 30% requirement.

SECTION 4

Section 4 of the bill makes two amendments to Section 2002, Title 38, U.S. Code: (1) it would require the Assistant Secretary to promulgate regulations and; (2) would assure priority of employment and training services to eligible veterans.

As a result of the Department of Labor not being required to issue regulations in the past, the current mandated "policies" have been ineffective, at best, as borne out by the miserable history of veteran participation in employment and training programs. The historical apathetic implementation of programs

also buttresses the need for the priority of employment and training services for these eligible veterans over other targeted groups.

Mr. Chairman, the amendment to provide "priority in the provision of employment and training services" taken in context with the remaining provisions of Section 2002, would assure that veterans would be served on a "priority" basis in any employment and training legislation.

SECTION 5

This Section would transfer the employees and the funds for administering Chapter 43, Veterans' Reemployment Rights, from the Office of Labor Management Services to the Office of the Assistant Secretary of Labor for Veterans' Employment.

Mr. Chairman, it is incredible that the Department of Labor would even consider retaining a veterans' program in an office other than the Office of the Assistant Secretary. Good management would dictate that the Assistant Secretary would have responsibility for administering all veterans' programs. We cannot emphasize strongly enough the need to transfer the Office of Veterans' Reemployment Rights with its attendant national and

field staff, as well as appropriated funds, to the Office of the Assistant Secretary. Without that transfer, the Assistant Secretary would have little, if any, input into policies administered through the Reemployment Rights statutes.

SECTION 6

We believe these amendments to Section 2003, Title 38, U.S. Code are necessary to assure that the VES is given the responsibility, authority and accountability mentioned earlier in our statement.

SECTION 7

This makes several amendments to the Disabled Veterans Outreach Program. It specifies, among other things, that funds will be made available from general revenues to provide for the DVOP staffs and makes clear that these funds may only be used for purposes of DVOP. We strongly support this provision.

SECTION 8

This Section also deals with funding issues. We strongly support these changes.

SECTION 9

Section 9 would require a report of activities carried out under Section 2003A (Disabled Veterans Outreach Program). We strongly urge the retention of this requirement in the bill in order that DVOP activities may be assessed as to their effectiveness. Without such a report, we will only be able to guess at the effectiveness of DVOP.

SECTION 10

This adds a Veterans' Employment Assistance Program and has been the subject of much discussion and controversy. As we understand it, Mr. Chairman, this Section is not intended to duplicate existing services. In this era of fiscal restraint, we do not believe the Congress would be irresponsible enough to enact legislation that would be repetitive of existing law. The DAV could not support legislation that is duplicative or not cost-effective.

We view this amendment as supplemental to existing programs, in that it would provide the Assistant Secretary authority to substitute one delivery system for another, in the event that existing structures do not serve the Congressional intent. We believe an objective reading of that Section will bear out our analysis.

A new Section 2010 would be added to Title 38 and would establish the Secretary of Labor's Committee on Veterans' Affairs. Mr. Chairman, in 1975 such a Committee was set up by former Secretary of Labor William J. Usery.

This was done by administrative edict and in every change of Administration or change of Secretary of Labor, we have had to urge the continuation of this Committee. When the current Administration took office, we encouraged the reestablishment and continuation of such a Committee. To date, this has not been accomplished.

We believe that this Committee, over the years, has provided a very effective forum for veterans' organizations to convey problem areas and successes to the Secretary on a formal basis. We believe this should be continued and strongly urge your continued support of this amendment to Title 38.

SECTION 12

This requires federal contractors under Section 2012 of Title 38 to report "at least quarterly on the total number of new hires of such contractor and the number of such hires who are Vietnam Era veterans, disabled veterans, and other eligible veterans."

We believe this a necessary management tool for the Department of Labor to monitor activities of federal contractors who are required to take affirmative action to employ and advance in employment qualified disabled and Vietnam Era veterans.

Without such reports, Mr. Chairman, the Department of Labor can only react to complaints filed, as opposed to taking positive actions to assure compliance. We believe this should not be a reactionary complaint oriented program, but one of conciliatory enforcement.

SECTION 13

Mr. Chairman, Section 13 would amend Section 2014 of Title 38, U.S. Code dealing with federal employment. I have been informed that Paragraph 2, requiring the listing of employment openings by federal departments, agencies and instrumentalities in the Executive Branch, is already required by Section 3327 of Title 5, U.S. Code. Section 3327 was added by the 1978 Civil Service Reform Act.

A reading of Section 3327 provides that "information concerning opportunities to participate in competitive examination conducted by, or under authority delegated by, the Office of

Personnel Management shall be made available to the employment offices of the United States Employment Service."

Subsection (b) requires that vacant positions in the competitive service or the Senior Executive Service and for which the agency is seeking applications from individuals not already employed within the federal service, shall be "listed" with the United States Employment Service. Accordingly, Mr. Chairman, it would appear that the Paragraph 2 amending language is already required by Title 5, U.S. Code.

We certainly support the remaining amendments contained in Section 13, as well as the amendments contained in Sections 14, 15 and 16.

Mr. Chairman, in discussion with several staff members at the Veterans' Employment Service, we are informed that support for many of these provisions may not be forthcoming because of the perceived redundancy of these provisions.

Mr. Chairman, other than the aforementioned amendment in Section 13, we believe there is no redundancy present in the bill. While it may be true that certain functions required by the amendatory language are currently being performed or are

under study, we believe that we should no longer waste time in explicitly stating Congressional intent. For all too long the Executive Branch of our government has interpreted Congressional intent to suit its needs.

Mr. Chairman, you and the predecessor Chairmen of this Subcommittee have all too often had to conduct oversight hearings to remind Executive Branch officials of Congressional intent. Perhaps it is time to erase any doubt and take away their administrative discretion, which has been frequently abused.

We accordingly urge the Subcommittee to report favorably to the full Committee as soon as possible. I would be happy to answer any questions.

* * *

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

June 24, 1982

Honorable Robert Edgar, Chairman
Subcommittee on Education, Employment
and Training - Room 335
U. S. House of Representatives
Cannon House Office Building
Washington, DC 20515

Dear Chairman Edgar:

I would like to take this opportunity to again thank you and the Subcommittee for conducting hearings on H.R. 6440 on June 22, 1982. I am also pleased that you are allowing us the opportunity to submit further commentary on this matter for the Hearing Record.

As you know, Mr. Chairman, we provided a written Statement and responded orally during the course of the hearing on Tuesday, June 22. At this time, I would like to offer further comments on the testimony provided by the Assistant Secretary of Labor for Veterans Employment William C. Plowden.

On page 2 of Mr. Plowden's prepared text, he talks about the Congress declaring as the basic purpose of Chapter 41, "That there shall be an effective (1) job and job training counseling service program...." One of the reasons H.R. 6440 has been introduced, as I understand it, is the fact that there has not been an "effective" program and the Executive Branch has not carried out the Congressional intent. This necessitates strong amendatory language as contained in H.R. 6440.

The Assistant Secretary also discusses the mandate under the Comprehensive Employment and Training Act (CETA) which in part calls for an outreach and public information program targeted toward veterans. We believe, Mr. Chairman, that the record of CETA serving veterans speaks for itself and has been less than effective in addressing the needs of this targeted population. This further buttresses the need for H.R. 6440 to be enacted into law.

Mr. Plowden mentions various programs under CETA to include perhaps the most significant--the Disabled Veterans Outreach Program (DVOP)--"staffed by some 2,000 veterans located in most Job Service Offices." I should point out that DVOP is no longer a program under CETA.

As we know, Public Law 96-466 mandated the Disabled Veterans Outreach Program and established approximately 2,018 positions. We know this has been mandated, but doubt very seriously that 2,000 or more are in place. Under separate cover we are writing to the Assistant Secretary requesting a state by state breakdown of the number of DVOPs assigned and the average salary by state.

The ASVE states, "The public Job Service Offices across the country provide veterans with priority in counseling, aptitude testing, job development, referral and placement in job openings. All Job Service Offices have at least one specially trained local Veterans Employment Representative who works directly with veterans."

According to the Department of Labor's official data, during Fiscal Year 1981, 11.2% of all veterans available received counseling; 24.7% of all veterans available were placed in jobs; and 30.5% of all veterans available received some form of assistance under job development.

Of these veterans, 25.5% had their applications inactivated with no services. Is this what the Department of Labor means by "priority?"

With the current budgetary restraints and personnel reductions in the Job Service Offices, I seriously doubt that, "All Job Service Offices have at least one specially trained local Veterans Employment Representative who works directly with veterans."

On page 3, item 3 of Mr. Plowden's Statement he indicates that, "Regulations for CETA Programs contain provisions that enable veterans to receive special consideration for assistance."

According to the Employment and Training Report of the President which was transmitted to the Congress in 1981, "In Fiscal 1980, veterans accounted for about 8% of participants under Title IIB and C Programs; 14% under Title IID; 15% in Title VI; and 12% in Title VII. (See Table 9.)" (emphasis added)

Is this the "special consideration for assistance" that Congress intended veterans to receive under CETA Programs?

Mr. Plowden further states that he believes the "...existing authority provides flexibility to carry out the purposes that Congress has outlined and as I note below the Administration's replacement for CETA adequately provides for veterans' programs."

We have already discussed the "flexibility" which, regrettably, has not carried out the purposes that Congress had outlined. As for the Administration's replacement, it is a matter of record that the Senate has passed S. 2036, which is not the Administration's bill and as passed does not contain veterans' provisions.

On pages 3 and 4 the ASVE discusses programs of affirmative action under federal contracts and the Office of Veterans Reemployment Rights. However, he fails to discuss anything of substance within those two programs, other than advising the Committee of what you already know, which is that the Assistant Secretary "...is also the principal advisor to the Secretary of Labor." Relative to these two programs, does the Administration support or not support any changes to these provisions?

The Administration through Mr. Plowden agrees with the basic purpose of Section 10, which would establish a Veterans National Employment Assistance Program but believes it unnecessary because existing law provides the same program authority.

We disagree!! I refer the Committee to my verbal testimony, as well as page 6 and 7 of my prepared text, submitted on June 22. I also believe that you, as Chairman, explicitly stated the intent of Section 10 was not to be duplicative but rather provide additional flexibility to assure program development and implementation to address the needs of disabled and Vietnam Era veterans.

The statement indicates that they are opposed to providing functional responsibility to the Veterans Employment Service to essentially oversee the activities carried out under Section 2012 of Title 38, U. S. Code. I believe there is little, if any, current "functional oversight" being exercised by Mr. Plowden's Office and field staff as it relates to this provision of law. Again, under separate cover, I am asking Mr. Plowden to further clarify his relationship with OFCCP and the respective field staffs.

The Administration is also opposed to the requirement that federal contractors would be required to report quarterly the number of disabled, Vietnam Era and other eligible veterans hired. Mr. Plowden believes, "This provision would hinder our overall contractor program." We totally disagree as currently, there is no management tool available to OFCCP or the VES to assure federal contractors are making any effort beyond a written Affirmative Action Program. A quarterly report would be an excellent tool by which any organization desiring to, can determine whether or not any affirmative action is actually being taken.

Mr. Plowden makes several arguments against requiring a quarterly report. I would like to offer his rationale and our rebuttal to that as follows:

"We reviewed and determined that the quarterly report was an unnecessary reporting burden."

Fact! The Office of Management and Budget, several years ago, determined that the quarterly report as required by regulation was in conflict with the "Paper Reduction Act" and ruled that the Department of Labor could not require that report. It was not determined by this Administration that it was an unnecessary reporting burden.

"This determination was based on the fact that the report was of little, if any, assistance in determining contractor compliance with the federal contractor job listing program."

Fact! The Department of Labor, since the original requirement for a quarterly report, has never used it as a tool to determine contractor compliance. There have been no corrective actions taken against federal contractors for failure to comply with this provision.

"We favor an approach that stresses the benefits of listing jobs with the Job Service and hiring veterans."

Fact! Employers tell me there is no benefit in listing jobs with the Job Service as veterans are not referred to job openings.

"Imposing a quarterly hiring report will not assist our program objective to hire veterans."

Fact! A quarterly report, if properly used and implemented, can go far in assisting the Department of Labor in reaching an objective of assuring employers take affirmative action as opposed to talking about taking affirmative action.

As we expected, the Administration opposes the elimination of the "special disabled veteran" category (those rated at 30% or more). We respectfully request the Committee to review our prepared Statement regarding this issue, as well as the comments made during the May 4, 1982 hearing.

The Administration believes that extending the eligibility "will serve to diminish the benefits of the program in several ways. The intent of the FCJL Program is to provide 'affirmative action' for employment and advancement to those groups of veterans (30% or more disabled and Vietnam Era) which have experienced a disproportionately high share of unemployment." We do not believe the Department of Labor can prove that 30% or more disabled veterans have experienced "a disproportionately high share of unemployment." While it is generally accepted that this is a truism, there are not data to bear out that theory. Instead, we believe that all disabled veterans bear a disproportionate share of unemployment.

The Administration further opposes this change because these disabled veterans could be considered as "handicapped individuals" under Section 503 of the Rehabilitation Act of 1973. "For these reasons, we do not favor this provision."

Again, Mr. Plowden's rationale is without much substance. Granted, disabled veterans are by definition "handicapped individuals." However, this nation has always accorded a special status to its veterans who were disabled in the course of duty to our country. This is evidenced by a long-standing national policy of providing disability compensation, health care, vocational rehabilitation to certain disabled veterans to retrain them for the job market, and even a certain amount of preference in obtaining federal employment. For these reasons, we cannot accept the argument that disabled veterans who may have combat disabilities rated less than 30% are classified as "handicapped individuals." They should be classified as disabled veterans.

Additionally, these "handicapped individuals" do not qualify for the Federal Contractor Job Listing Program under Section 503 of the Rehabilitation Act of 1973 because there is no such requirement. The Federal Contractor Job Listing Program is required by Section 2012 of Title 38, U. S. Code and is designed for certain disabled and Vietnam Era veterans. Mr. Plowden's statement on this issue is erroneous and misleading.

They oppose transferring the Office of Veterans Reemployment Rights to the Office of the ASVE. Mr. Plowden believes that "basic organizational decisions as to where in the Department a particular agency would be most effective should be left to the Secretary." We cannot agree with that rationale. While certain organizational decisions should certainly be left to Executive Branch officials, we believe when that decision-making process reflects a decision to segregate and keep separate veterans' employment programs and functions under several Assistant Secretaries that it is time the Congress take corrective action. We strongly urge that the Office of Veterans Reemployment Rights be transferred legislatively.

In conclusion, we believe that the Administration has offered very little of substance that would prove the provisions of H.R. 6440 are counterproductive or unnecessary to assure this nation's disabled and Vietnam Era veterans receive adequate employment and training assistance. We also believe that a reading of the Assistant Secretary's Statement could lead to the drawing of extremely erroneous inferences.

The Disabled American Veterans stands by its testimony and strongly urges the Subcommittee to continue in its efforts to enact meaningful legislation intended to help these veterans.

Sincerely,

RONALD W. DRACH
National Employment Director

RWD:ah

cc: National Commander Roodzant
National Adjutant Adams
Natl. Director of Svc. Hartnett
Asst. National Adjutant Wilson
Asst. Director of Communications Keller
Administrative Assistant Woods
National Interim Employment Committee
Secretary of Labor Donovan
ASL for Veterans Employment Plowden
Senator Simpson
Senator Cranston
Senator Thurmond
Representative Montgomery
Representative Hammerschmidt

Prepared Statement of Maurice E. Loir, Legislative Director, Military Order of the Purple Heart

Mr. Chairman and Members of the Committee:

The Military Order of the Purple Heart is pleased to be here today to offer comments on H.R.6440, the Veterans Employment Assistance Act of 1982. Generally speaking, we are pleased with this proposal and we hope that it will help to solve some of the nagging problems that have plagued us for the past several years.

We are particularly pleased with the proposed change in the residency requirement in §2003(b). We have long felt this rule to be discriminatory. While the rule may still exist, the proposed change will allow transfer of VES personnel and will increase opportunities for merit promotion from assistant to state director.

We fully agree with the new emphasis for disabled veterans rated at 10% and 20%. We have found examples where a 10% disability is an employability handicap along with other cases where a 70% disability is not a handicap. It is a difficult matter to decide on a point where the degree of disability is, or is not, an employability handicap. Some cases are very obvious, but there are far too many that are not.

The inclusion of the Postal Service and Postal Rate Commission in the proposed §2011 will certainly help to improve existing problems. However, we feel that close monitoring will be required for this rule to have any real impact.

VRA listings should be available to the State Job Service. This is sometimes done now, but should be done more to broaden opportunities. We do have a special concern with the VRA program. I am not sure if the solution lies with legislation, or within OPM regulations. Not long ago, a veteran in a VRA position was promoted and transferred to another office of the agency. He was promptly fired from the job. He claimed discrimination and we found that a VRA appointee is not eligible for the grievance procedure normally available to federal employees. His complaint bounced between OPM and DOL without any resolution. He contacted his Congressman and I am not aware if the case has been resolved.

Looking at the remaining part of H.R.6440, we have many reservations. Our concern is not with the proposal itself, but rather with the problems of implementation. We have seen too many programs where compliance became somewhat elusive. HIRE II is a good example. The

program had a considerable potential, but because of apathy and poor compliance in some areas, the program only obtained mixed results. By looking at the problems of the past, we may well improve the chances of success for the program contained in H.R.6440.

The VES field staff has the responsibility of monitoring veterans employment programs. The law states that there will be one ASDVE for each 250,000 of the veteran population. Yet we find that New York City, with more than one million veterans, only has two assistants. During most of the HIRE II period, the City only had one assistant. How many other major population centers have a similar problem? The field staff now has the added responsibility of supervising the outstationed DVOP aides. Combine this with a lack of clerical support and periodic cut-off's of travel funds, it is surprising that they can do a job.

The VES monitors and evaluates local Job Service offices. What happens when something is wrong? We can point to one example that has existed for some time. Because of a jurisdictional problem, one local office does very little for veterans. In November, 1980, this office dropped 638 veterans from the files with little or no service. In a little over six years, the office has almost no veteran placements in CETA, had none at all during HIRE II, and continuously fails to meet the floor levels of the veteran preference indicators. The situation has been reported in every VES evaluation and in two State on-site reviews. The DOL Regional Office is aware of this, but no action has been taken, nor do we know of any that is planned. Not only is the veteran affected by this, but the general community as well. To make the situation more ridiculous, the office is located within five miles of a major airport with thousands of jobs under the federal contractor job listing requirement. The office cannot refer anyone to the airport, but they are tied into a microfiche system where referrals can be made a hundred miles in the opposite direction.

There is much to be concerned about when we consider the matter of coordination between agencies. A veteran who applies for public assistance must be enrolled with the Job Service. If the veteran cannot be placed, he or she should be informed that they are CETA eligible and referred to the prime sponsor. Every attempt should be made for job referral or training before assistance is granted. These efforts should be continued until some job is found. However,

we find too many situations where there is little or no coordination between these agencies. The result is that a veteran's file may be locked away in one of the agencies without any further service. In outstationing DVOA's, we should consider assignment on a part-time basis to social service agencies to prevent any dead end in trying to furnish employment related services.

It must be frustrating indeed for a VES monitor to be aware of situations like these and not be able to do anything more than put it all into a report that gets little or no response.

The federal contractor job listings often tends to be ineffective. Without voluntary compliance, the rule is really a waste of time. Compliance is much easier to find among the smaller contractors. More often than not, problems arise with the larger employers. In the past, in my home area, the Job Service had one person in the District Office to handle the reporting of new hires and put it into the computer. There were and still are, about 1,300 federal contractors in the area. There has been no reporting or monitoring of the FCJL employers for some time now. Even if they did report, we would not know of any non-compliance until well after the fact. We have a rule that can be totally ignored. We are fortunate that quite a bit of voluntary compliance does exist.

There are many points that can be cited when we speak of non-compliance. The problems we have discussed are intended to point to specific needs to make a success out of the proposed §2009. We like §2009 and we want to see it succeed, but what happens when something is wrong? What action will be taken in the case of non-compliance, or poor performance? Effective monitoring can be had, but is the monitor expected to write reports that will have no response? The quickest way to assure proper performance is to cut off funding. Where will that control be? At what level?

As one who has been involved with CETA and employment programs for more than six years, I have seen too many cases of failure, too much apathy, and some political manipulation. I have also seen some success. It all depends on how conscientiously the program is administered. The questions I have raised must be answered in the regulations that will govern §2009. If they are properly answered, we can have high hopes for the program.

Mr. Chairman, thank you for the opportunity to present our views on this proposal.

PARALYZED VETERANS OF AMERICA

CHARTERED BY THE CONGRESS OF THE UNITED STATES

STATEMENT OF

R. DENNIS SMURR, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

SUBMITTED FOR THE RECORD

TO

THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF

THE HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING

H.R. 6440, "Veterans' Employment Assistance Act of 1982."

JUNE 22, 1982

Mr. Chairman and Members of the Subcommittee, Paralyzed Veterans of America is very pleased to comment on and support the intent of H.R. 6440, the "Veterans' Employment Assistance Act of 1982."

PVA has, over the years, followed with great interest the efforts and the frustrations this Subcommittee has encountered in its various oversight hearings addressing the deplorable unemployment situation faced by an inordinately high percentage of the veteran population, particularly disabled and Vietnam-era veterans. We applaud the Subcommittee's genuine concern and undaunted enthusiasm that it has shown in attempting to correct the inactivity and in some instances, the injustices that certain

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federal and state agencies have promulgated against veteran employment and training programs. And, Mr. Chairman, PVA extends to you its' sincere appreciation for introducing this proposed legislation, which we view as a very thorough and comprehensive reappraisal of the job training and placement programs currently available to veterans under Title 38 of the U.S. Code.

Our nation's current unemployment problems are staggering to say the least. More and more American citizens, from all walks of life, are experiencing, some for the very first time, the demoralizing and debilitating realities of prolonged unemployment. This national catastrophy is over-shadowed only by the exacerbated unemployment statistics that have existed for many years by our country's disabled and Vietnam-era veteran population. Significantly, the unemployment rate for this group of veterans is higher, in every age category, than their nonveteran peers. Currently, there are well over 700,000 Vietnam-era veterans seeking employment opportunities. Plus, an estimated 400,000 additional ones who, because of such prolonged periods of unemployment or greatly interrupted work activities have become so discouraged they have given up all hope and therefore do not even appear in the current unemployment rate statistics. All totaled, over 1.1 million Vietnam-era veterans are among the unemployed.

Many well-intentioned endeavors, including past legislative mandates, administrative directives and topical reviews have been undertaken to alleviate this pervasive national disgrace; still the problem exists in even worse portions than ever before. A primary reason for this ineffectiveness lies in the disjointed, highly fragmented multi-agency methods of implementing the various attempts used toward solving this problem. This fact coupled with the concerted efforts by recent Administrations to cut, under-fund or redirect monies earmarked for the various job training and/or

placement programs into general budget funds has left the existing program in somewhat of a disorganized and demoralized state of affairs.

PVA views the proposed legislation, H.R. 6440, as a positive step toward consolidating the entire spectrum of veteran employment training and placement services under the functional and administrative supervision of the Department of Labor's Assistant Secretary of Labor for Veterans' Employment. We see this particular aspect of H.R. 6440 as a significant move toward improving the accountability, the coordination, and, hopefully, the effectiveness of all the on-going efforts directed to the veteran unemployment problem. The placement of program responsibility with the Assistant Secretary of Labor for Veterans' Employment should facilitate the programs greatly and minimize duplic ve efforts and conflicting directives. Also, it should be noted that the proposed creation of a Secretary of Labor's Committee on Veterans' Affairs, as outlined in Section 2010 of the bill, should provide a much needed and long over-due forum from which to bring about proper corrective solutions to the veteran unemployment crisis. PVA especially appreciates the inclusion of the various veterans' service organizations on this Committee, for not to include them would be similar to having a group of doctors diagnosing an entire hospital ward without having the benefit of any patient contact.

Another aspect of the proposed legislation that PVA sees as a very important change appears in Section 2011, clause 4, which specifically incorporates the United States Postal Service and Postal Rate Commission into the list of federal agencies that must abide by Chapter 42 - Employment and Training program guidelines. The past employment practices for disabled and Vietnam-era veterans of this quasi-governmental agency, the U. S. Postal Service, the third largest federal employer, has not been in keeping with other governmental employers. H.R. 6440 can,

hopefully, correct this jurisdictional discrepancy that has long remained an area of confusion for all parties concerned.

Also, PVA views the proposed revision of Section 2014 (g), that the Veterans Administration be encouraged to give preference selection to those veterans with disabilities rated at 30 percent or more as beneficial. In light of the already acceptable VA veteran hiring practices , PVA views this suggestion as just another reminder to the VA that it, more so than any other federal agency has the primary responsibility of hiring the most needy, the most disadvantaged and the most chronically unemployed.

The proposed revisions of Section 2003, State Veterans' Employment Directors, serves to further clarify the job responsibilities for both the Director and the Assistant Director of each state's Veteran Employment Services. H.R. 6440 will also provide for and foster a closer working relationship between the Veterans Administration vocational rehabilitation programs with those of the job placement services. This linkage of rehabilitation to job placement is extremely important, and we strongly support the intent of this provision.

Two other aspects of Section 2003 require further comment. PVA supports the language that will provide full-time federal clerical support personnel to the State Veterans Employment Directors. We understand that in the past certain state Veteran Employment Service operations were rendered helpless because of a given state's inability to pay or provide the necessary clerical support people.

The other point to be made regarding the Section 2003 rewrite concerns the two year residence requirement for the position of a State Veterans' Employment

Director. Much can be said in favor of retaining the two year residence requirement for it better assures the veteran that the State Director's position will be filled by an individual knowledgeable of the local business community and its employment climate. Yet, if a position of a State Director is unfilled then what good is such a requirement, especially when there exists an Assistant Veterans' Employment Director with two years of experience in another state. We also have to consider e- -loyment retention and upward mobility for those in Assistant Director positions, by our own review we find that a residence requirement for a federal position is not commonplace either. Therefore, for the overall good of the Veterans' Employment Service program, PVA supports the language of H.R. 6440.

We must also address the proposed legislative changes to the Disabled Veterans' Outreach Program, (DVOP) Specialists. PVA applauds the efforts to fund this very important program as a specific line item in Department of Labor's annual budget appropriation requests. We also see the DVOP rewrite as granting the Assistant Secretary of Labor for Veterans' Employment additional flexibility in the placement of DVOP specialists within a given state. This flexibility is needed, as is the improved coordination of efforts with the Veterans Administration's vocational rehabilitation staff and participants in the programs under Chapter 31 of this title.

In closing it would be very inappropriate not to give proper recognition to the heart of this particular bill, that being the "National Employment Assistance Program for Veterans". PVA respectfully acknowledges and supports, as does the language of H.R. 6440, that a veterans' employment program is a national responsibility of as great an importance as that of a national defense program. If we cannot do our very best toward returning our American service personnel, especially those disabled and of the Vietnam-era, back into the mainstream of the American workforce then we cannot expect our young men and women to answer the call of duty for our country.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES
FOUNDED 1899

OFFICE OF
DIRECTOR, NATIONAL LEGISLATIVE SERVICE

V. F. W. MEMORIAL BUILDING
200 MARYLAND AVENUE, N. E.
WASHINGTON, D. C. 20002

July 1, 1982

The Honorable Robert W. Edgar
Chairman, Subcommittee on Education,
Training and Employment
House Veterans' Affairs Committee
Washington, D. C. 20515

Dear Mr. Chairman:

Due to administrative error here in the Washington Office of the Veterans of Foreign Wars, I must retract so much of paragraph three of my letter to you of June 15, 1982, which conveys support of changing the residency requirements for State Veterans' Employment Directors and Assistant Veterans' Employment Directors as enunciated in section 6 of H.R. 6440.

Both the letter and spirit of our current Resolution No. 642, entitled "Oppose Any Changes To The Residency Requirements For VES State Directors," passed by the voting delegates to our last National Convention specifically supports retaining the minimum two year residency requirement of 38 USC 2003. A copy of that Resolution is enclosed.

I regret any inconvenience caused you and Members of the Subcommittee on Education, Training and Employment, and with best wishes and kind regards, I am

Sincerely,

Donald H. Schwab

DONALD H. SCHWAB, Director
National Legislative Service

DHS/ket

Enclosure

cc: The Honorable G. V. "Sonny" Montgomery
The Honorable John Paul Hammerschmidt
All Members, Subcommittee on Education,
Training and Employment

Resolution No. 642

OPPOSE ANY CHANGES TO THE RESIDENCY REQUIREMENTS
FOR VES STATE DIRECTORS

WHEREAS, the Congress of the United States has enacted legislation providing for a Veterans Employment Service within the Department of Labor; and

WHEREAS, the act provides that the State Director of the Veterans Employment Service and the Assistant State Director of the Veterans Employment Service shall be an eligible veteran, and at the time of appointment, shall be a bonafide resident of the state for at least two years; and

WHEREAS, the assigning of a local state resident to the position of State Director and Assistant State Director is advantageous to the government and veterans, as the individual is knowledgeable of state programs as well as acquainted with state and local officials; now, therefore

BE IT RESOLVED, by the 82nd National Convention of the Veterans of Foreign Wars of the United States, that we go on record petitioning the Congress of the United States to oppose any changes to residency requirements for appointment of State Directors and Assistant State Directors of the Veterans Employment Service.

Adopted by the 82nd National Convention of the Veterans of Foreign Wars of the United States held in Philadelphia, Pennsylvania, August 14-20, 1981.

Resolution No. 642

STATEMENT OF WILLIAM C. PLOWDEN, JR.
ASSISTANT SECRETARY OF LABOR
FOR VETERANS' EMPLOYMENT
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING,
AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

June 22, 1982

Mr. Chairman and Members of the Subcommittee:

Thank you for providing us this opportunity to present our views on H.R. 6440, a bill "To amend title 38, United States Code, to improve job training and job placement programs for veterans," and to describe for you the Department of Labor's authority for veterans' employment and training programs. Let me assure you at the outset that as Assistant Secretary of Labor for Veterans' Employment that my basic concern is with the effective delivery of employment and training services for veterans, particularly veterans of the Vietnam war and the disabled veteran who have had difficulty in entering the job market.

Before I discuss the provisions of H.R. 6440, I would like to briefly review our basic authority under Chapter 41 of Title 38 and section 305 of the Comprehensive Employment and Training Act (CETA) for providing employment and training services for veterans and the programs by which we deliver these services.

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Congress declared that the basic purpose of chapter 41 is that there shall be an effective (1) job and job training counseling service program, (2) employment placement service program, and (3) job training placement service program for eligible veterans and eligible persons. It further provides that the Assistant Secretary of Labor for Veterans' Employment shall establish and administer policies to accomplish this end. Under CETA, Congress directs that the Secretary shall provide for an outreach and public information program and for employment and training programs to exercise maximum efforts to develop jobs and job training opportunities for veterans. For example, some of the programs that we have to assist veterans under existing authority include:

(1) The Disabled Veterans Outreach Program, staffed by some 2,000 veterans located in most Job Service Offices, provides special assistance to other veterans. Unique to this program is the outreach emphasis provided to seek out and help disabled and Vietnam-era veterans;

(2) The public Job Service Offices across the country provide veterans with priority in counseling, aptitude testing, job development, referral, and placement in job openings. All Job Service Offices have at least one specially trained local veteran

employment representative who works directly with veterans;

(3) State and local CETA programs which are administered by some 435 CETA Prime Sponsors nationwide. Regulations for CETA programs contain provisions that enable veterans to receive special consideration for assistance.

(4) Special National Programs funded with CETA dollars. The Office of the Assistant Secretary for Veterans Employment administers a national outreach and public information program which includes demonstration and specialized projects to meet the unique employment needs of disabled, minority, and Vietnam-era veterans.

I believe that the existing authority provides flexibility to carry out the purposes that Congress has outlined and as I note below the Administration's replacement for CETA adequately provides for veterans' programs.

As you are aware the Assistant Secretary for Veterans' Employment is also the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all Departmental policies and procedures under Chapters 41, 42 and 43 of title 38 with respect to veterans. These programs include a program of affirmative action under Federal

contracts for disabled and Vietnam era veterans, administered by the Office of Federal Contract Compliance Programs in ESA and Veterans' Reemployment Rights program administered by LMSA.

Turning to the provisions of H.R. 6440 it appears that a basic purpose of the bill set forth in section 10 is to establish a veterans national employment assistance program requiring job counseling, training, and placement services. The program would be administered by the ASVE through grants to qualified recipients which may include State agencies, agencies of political subdivisions of any State, and private, non-profit organizations. Authorizations for related research, demonstration programs and technical assistance is also authorized.

Mr. Chairman, we are in accord with the intent and purpose of the provision, but we believe that existing law provides generally for the same breadth of program authority; therefore, we believe that it is unnecessary.

It is our understanding that one of the purposes of this proposed program is to continue providing and to increase specialized services to targeted groups of veterans with severe employment needs. We all are aware that the Administration and Congress are vigorously working on a bill to succeed the Comprehensive Employment and Training Act. The Administra-

tion's original proposal contained provisions that authorize the Secretary of Labor to financially assist job training programs for veterans with emphasis on meeting the training needs of disabled, Vietnam era, and recently separated veterans. We think it is crucial for veterans to be a part of the major national employment and training bill. Mr. Chairman, we offer any assistance possible toward this end.

Another change of the bill in Section 6 would have the effect of waiving the 2-year state residency requirement for appointment to Veteran Employment Service State Director or Assistant for those having served as a VES State or Assistant Director for at least two years in any state.

I do not favor this provision. I believe the residency requirement is a legitimate occupational qualification for several reasons. Individuals that have been actively involved in veterans affairs in their state possess a valuable experience that allows them to immediately assume the full range of duties required of the job. It is most important that the individual be very familiar with state economic conditions and the dynamics of the state's political and governmental processes that impact on veterans programs. This experience and knowledge is critical for gaining an understanding and an awareness of the unique employment and training needs of the state's veterans community.

The bill contains in section 7, amendments concerning the Disabled Veterans Outreach Program. I fully endorse the provision allowing a waiver to the maximum number of DVOP staff that can be stationed at Job Service offices. This is the kind of program flexibility needed for us to be able to respond to the needs of a given community. With respect to requiring that DVOP funds be appropriated from general revenues, we would point out that the budget process provides safeguards to ensure that funds are appropriated from preferred sources. The process allows the Administration the flexibility to propose their optim al budget and Congress the prerogative of review and revise.

Mr. Chairman, the provision in section 6 providing that the Veterans Employment Service have functional responsibility for the participation of veterans in Federal employment and training programs and of job listings, referrals, and complaints under the Federal Contractor Job Listing program is in line with our current operation. While these programs are operationally under other offices, we work very closely in meeting our national obligations under these programs. My office and field staff will continue its functional oversight roles of all veterans employment and training programs, consequently this provision is unnecessary.

Section 12 of the bill would require Federal contractors to report at least quarterly on the total number of new

hires, separately identifying Vietnam-era veterans, disabled veterans, and other eligible veterans. Mr. Chairman, we think that this provision would hinder our overall contractor program. As you are aware, we have suspended regulations requiring contractors to submit a quarterly hiring report. We reviewed and determined that the quarterly report was an unnecessary reporting burden. This determination was based on the fact that the report was of little, if any, assistance in determining contractor compliance with the Federal Contractor Job Listing program. We favor an approach that stresses the benefits of listing jobs with the Job Service and hiring veterans. Imposing a quarterly hiring report will not assist our program objective to hire veterans.

The bill in section 3 would eliminate the "special disabled" category; i.e., those veterans rated at 30 percent or more. This provision would have the effect of extending eligibility for the Federal Contractor Job Listing (FCJL) program to veterans with 10 and 20 percent disabilities.

We believe that extending eligibility will serve to diminish the benefits of the program in several ways. The intent of the FCJL program is to provide "affirmative action" for employment and advancement to those groups of veterans (30% or more disabled and Vietnam era) which have experienced a disproportionately high share of unemployment. The benefits

measured, in terms of referrals and job placements provided through the Job Service, have steadily declined since 1979. While issue may be taken with why the decline has occurred, the facts remains that any increase to the eligible population will spread opportunities even thinner. We also point out that any veteran, disabled or not, who has a "handicap to employment" could qualify for the Federal Contractor Job Listing program as a "handicapped individual" under Section 503 of the Rehabilitation Act of 1973. For these reasons, we do not favor this provision.

Section 5 of H.R. 6440 would make officials administering the Veterans' Reemployment Rights Program administratively and functionally responsible to the Assistant Secretary for Veterans' Employment.

I believe, that basic organizational decisions as to where in the Department a particular agency would be most effective should be left to the Secretary. Recently, the Secretary of Labor has determined that the program should remain under the Labor-Management Services Administration and administered in coordination and cooperation with my office.

Section 14 of H.R. 6440 would require employers to grant a leave of absence to Reservists required to perform active duty for training "for any period not in excess of

twelve months." Mr. Chairman, we believe that the provision lacks clarity as to time limitation for the training period. We would suggest that in lieu of this provision, language be added to limit the duration of active duty for training covered under the law, to a period not to exceed twelve months within any three calendar years when determined to be necessary by the Secretary of the military department concerned. We believe that changing the law in this manner provides adequate time for such training.

H.R. 6440, Section 15, would repeal the Exemplary Rehabilitation Certificate program. We favor this provision. Study has shown that there is virtually no value in the certificate since it does not effect a person's discharge status.

Another provision of section 10 would establish a Secretary of Labor's Committee on Veterans' Affairs. The Committee is made up of various Federal agencies and chartered veterans' organizations having a national employment program. We do not believe this provision is necessary since we already work closely with all these people to receive feedback and ideas on our programs and assist with coordination of federal programs. Providing a formal structure would add bureaucratic requirements without any added substance.

Mr. Chairman, I hope that these brief comments will be of assistance to you and the Committee as you continue

your work to develop meaningful and effective legislation to assist our nation's veterans. We are most appreciative for this opportunity. I'll be pleased to answer any questions you may have.

PREPARED STATEMENT OF DENNIS R. SHAW, PRINCIPAL DIRECTOR TO DEPUTY ASSISTANT SECRETARY OF DEFENSE (RESERVE AFFAIRS)

Mr. Chairman, Members of the Committee; I thank you for giving me this opportunity to testify before you today on the subject of reemployment rights for Guard and Reserve members who are involved in certain categories of active duty for training. This is a subject of special importance to members of the Reserve Components. I would like to address the justification for the reemployment right, the circumstance under which it might be envoked and the magnitude of the problem.

Guard and Reserve Forces of the United States are a major ingredient in both the strategy of national defense and the day-to-day training and operation of our armed forces. The Total Force that began as an idea in the early 70's is a reality in 1982, so much so that contingency plans to counter aggression in both hemispheres involve the commitment of reserve forces in the same time frame and as equal partners with regular military units. In order to be responsive to this tasking it is necessary for Guard and Reserve members to be as highly trained and capable with their equipment and tactics as their full-time counter parts. While it is unrealistic to say that all Reserve Component members achieve this level of readiness in a peacetime environment, there are selected individuals and units that, because of their early commitment, must be ready to fight whenever they are called. The balance of Guardsmen and Reservists train to achieve the best possible readiness prior to mobilization so that their post-mobilization

training will require minimal time and effort. For Reservists, the preponderence of this training takes place within the framework of initial active duty for training, (IADT), weekend drills and annual 2-week active duty training periods. Prior service members typically bring advanced skills with them that they have acquired while on active duty. The areas where the Reservist may require additional training outside the time allocated for IADT, drill weekends and the two week annual training periods, fall into several categories, the most typical being the following: Unit Conversion, Refresher/Proficiency Training, Career Development and Exercises.

Unit Conversion deals with a change of mission and/or a change of equipment. In the case of the introduction of new equipment, personnel must receive formal schooling on maintenance and operating procedures. The more sophisticated the equipment the greater the amount of training required to master its maintenance and employment.

Refresher and Proficiency Training is self explanatory and usually of relatively short duration.

Career Development Training can involve the acquisition of a higher skill level through formal schooling within a technical specialty or in the case of officers may also involve Military Service Schools and Senior Service Colleges that enable the individual to assume greater responsibilities and provide more effective leadership.

In the category of Exercise Training, Guard and Reserve Forces take part in an increasing number of joint and service specific training exercises both within and outside the Continental United States. These exercises are essential to the proper employment of weapons and tactics on the modern battlefield and to the coordination of Regular and Reserve Forces working together. The duration of these exercises will normally fit within the two weeks allocated for annual training but may, in the case of NATO theatre exercises for example, run longer.

Additional situations which might require individuals with particular skills to be called to active duty beyond their annual obligation would occur during periods of increased international tension. At such times, specific units, intelligence groups for example, may be required to perform additional duty in response to the potential threat.

All of the active duty situations herein described represent legitimate demands on the time of the Guard and Reserve members and contribute significantly to the national defense. Any one may involve time away from civilian employment and it is that additional time away from civilian employment that is at issue.

A reasonable and responsible employee will request permission from his employer if Reserve Component duty requires additional time away from work. Our experience has shown that most informed employers will take into consideration the legitimacy of the request and make a good faith

effort to give the employee the required time off. The problem arises when the employer agrees to let the individual take part in the additional active duty training and then fails to reinstate the individual on his return to work. It is that circumstance where the Reservist must be protected by the law.

A preliminary survey of the Guard and Reserve Components indicates that the magnitude of the problem with respect to the total labor force is not great. The Guard and Reserve send approximately 6,000 people annually to technical schools of greater than 90 days duration. Undergraduate Pilot Training (UPT) for the Army takes an average of 157 days. The Army has budgeted for 52 officers to attend UPT in FY 1983. Air Force Reserve and Air National Guard UPT takes approximately 300 days and they have budgeted for approximately 450 officers to take part in this training in FY 1983. Many of these individuals will enter this program directly from college and their impact on business and industry will be negligible. In proportion to the over 900,000 drilling Guard and Reserve members, those involved in schooling are scarcely significant to the labor force of the nation. On the other hand the impact these trained individuals have on the readiness of reserve forces is highly significant. Technological expertise in the degree demanded by modern weapons systems cannot be attained without this type of formal schooling. Under the DoD interpretation of current law any of these individuals

represents potential litigation should their right to reemployment become an issue. Any policy that would deny full legal protection to all Guard and Reserve members without recourse to appeal represents a serious concern to individuals considering Reserve or Guard membership or reenlistment.

A significant problem with any policy that operates to unreasonably restrict or circumscribe the participation of Guardsmen and Reservists, aside from the adverse impact on readiness, is that it sends a danger signal to those service members that, at a time when their skills and dedication are increasingly vital to the national defense, the Government may not assist them in protecting reemployment rights guaranteed by the Congress. Of equal concern is the potential signal to employers that participation in Guard and Reserve training activities is less important today than it has been in the past.

The plain language of the current Reemployment Rights statute does not specify any maximum training period protected under the law. However, in two recent cases, Peel v. Florida Department of Transportation (1977) and Lee v. The City of Pensacola (1981), the Fifth Circuit Court of Appeals examined the legislative history of the statute and, at a minimum, have raised the spectre that the Reemployment Rights statute's protective coverage is limited to tours of active duty for training of ninety days or less. We believe tne judicial decisions made in the Lee and Peel cases should

not be interpreted as establishing a general rule that active duty for training tours in excess of ninety days are not within the protection afforded by the current statute.

In Lee v. City of Pensacola, 634 F.2d 886 (5th Cir. 1981), the Fifth Circuit Court of Appeals refused to restore a national guardsman to his civilian employment as a municipal police officer. But, the decision was not based solely, or even primarily, on the single fact that his tour of military duty exceeded ninety days. Rather, the Court found that under all of the circumstances of this case the guardsman's actions were unreasonable. In light of the unique and extreme circumstances of the Lee case, it should not be regarded as establishing an inflexible ninety day rule. Rather Lee should be considered an aberration to be limited to its own very unusual facts which do not warrant the establishment of a new legal rule or require a change in policy.

Nor should Peel v. Florida Department of Transportation, 443 F. Supp. 451 (N.D. Fla. 1977), be regarded as a legal precedent to support a new rule based on a ninety-day time limit. In this case the national guardsman was ordered to perform 59 days of active duty for training shortly after he completed 14 days of similar summer duty training. The second tour was required by his military superiors and the guardsman reported to his civilian place of employment the day after completing it.

The District Court upheld the guardsman's right to reemployment under the provisions of 38 U.S.C. 2024(d) but included in its opinion a brief excerpt from Senate Report No. 1672, 86th Congress, second session, which was issued in 1960, in connection with legislation that provided for the statutory predecessor of 38 U.S.C. 2024(d). The predecessor statute, like 38 U.S.C. 2024(d), did not incorporate any time limit in its text. The Senate report, which dealt with the training practices that were utilized at that time, included the following brief passage.

> "This section then codified as 50 App. U.S.C. §459(g)(4) was designed to provide reemployment protection for trainees who are absent from employment for only a short period of time, such as 2-hour drills, weekend drills, 2-week annual encampments, and special training or instruction periods that may last for 30, 60, or 90 days." U.S. Code Cong. & Admin. News 1960, p. 3078.

The quoted passage played no part in the Peel decision and was merely gratuitous dictum not germane to the issues in that case. Unfortunately, the Fifth Circuit Court of Appeals, apparently searching for whatever support it could find to buttress its novel decision in Lee, included this dated observation from this Senate report in the Lee opinion as though the unnecessary dictum in Peel constituted a legal precedent when in fact it did not so qualify.

The danger presented by the most recent restrictive interpretations of the current reemployment rights statute is that they do not account for the very real fact that military training practices and requirements have changed substantially since enactment of he original reemployment

rights statute in 1960. Much greater emphasis has been placed on the reserve components under the Total Force Policy. Thirty-nine percent of the Total Force of three million four hundred thousand military personnel are members of Guard or Reserve units, Guard/Reserve trainees, or part of the Pretrained Individual Manpower resources of the Reserve Components.

The Army National Guard represents 33 percent of the Army's Combat Divisions, 46 percent of the Combat Brigades and 57 percent of the Armored Cavalry Regiments.

The Army Reserve represents 11 percent of the Army's non-divisional combat structure, 33 percent of the tactical support, 26 percent of the special theater forces and 25 percent of the general support forces. One hundred percent of the training divisions and brigades are to be found in the Army Reserve. One half of the deployable Army Reserve units will be committed within 30 days of mobilization and an additional 37 percent will deploy in the 30 days that follow. Practically all will be deployed within 90 days of mobilization.

A sizeable portion of the strategic and tactical air-lift capability for the Total Force is supplied by units and individuals of the Air Force Reserve and the Air National Guard.

Twenty-five percent of the Marine Corps total combat strength in air and ground units is contained in the Selected Marine Corps Reserve.

In addition to this mobilizable force, many active duty missions are performed on a regular basis by units and individuals of the Guard and Reserve as a by-product of training. For example, one half of the Air Defense Interceptor Alert sites in the United States are continually manned by crews of the Air National Guard. The air defense of the Hawaiian Islands is the sole responsibility of the Air Guard. Air National Guard and Air Force Reserve tactical and strategic airlift squadrons directly support the Rapid Deployment Joint Task Force. The Air Guard and the Air Force Reserve also provide KC135 tanker aircraft and crews for SIOP alert on a round-the-clock daily basis and for daily refueling missions.

The Army Reserve contributes a significant number of Engineer, Ordinance, Medical, Transportation and other units to the Rapid Deployment Joint Task Force.

The Naval Reserve maintains two carrier air wings equipped with fighter, attack and reconnaissance aircraft. One of these wings is kept carrier qualified and deployable at all times. Naval Reserve P-3 aircraft share daily maritime patrol responsibility with their regular Navy counterparts. Refueler aircraft of the Marine Corps Reserve routinely perform tanker missions for deploying tactical squadrons across both the Atlantic and Pacific.

Within funding constraints, units and individuals of the Reserve Components train and work side-by-side with active duty personnel on land, sea and in the air, often at

the risk of and sometimes at the cost of their lives. They take part in overseas and Continental United States based exercises throughout the year to maintain combat mission readiness and the capability to counter the current threat.

The call-up authority granted by Congress to the President makes 100,000 members of the Selected Reserve subject to immediate mobilization for 90 days without a declaration of national emergency; one million Ready Reservists may be mobilized for up to 24 months once a national emergency has been declared by the President. All members of the Reserve Components can be mobilized by a Congressional declaration of war or national emergency for the duration plus 6 months. The immediacy of the continuous possibility of being mobilized is not lost on the Guardsmen and Reservists who maintain mission readiness ever mindful that the routine work they do in support of the current peacetime mission could be expected of them in a wartime environment with little notice.

Now that the reserve components are depended upon to furnish a major part of our overall forces in the event of large-scale international hostilities, the training of those elements, of necessity, has been greatly increased. Thus, whereas in 1960 inactive duty for training tours almost never exceeded ninety days in duration, tours in excess of that period are now commonplace.

For this reason, I believe legislation such as H.R. 5209 and H.R. 6440 is timely and needed. However, I would

like to apprise this Committee that the language in both Bills, proposing to amend the first sentence of Section 2024(d) of Title 38 by inserting the words "for any period not in excess of twelve months" after "active duty for training", may be too broad. I am concerned that this language could be construed as permitting back-to-back one year absences from civilian employment. Such an interpretation might have the effect of signaling employers, upon whose cooperation and support we heavily rely, that it might be disadvantageous to employ members of our National Guard and Reserve. And, in light of the very real need to strike an equitable balance between the increasing training needs of the Guard and Reserve Forces and the interests of civilian employers, the Department of Defense has prepared substitute language as follows:

(1) by amending section 2024(d) by inserting after the first sentence --

"Subject to the provisions of this section, an employer is required to provide a leave of absence for the period stated in the military or naval orders that are provided such employer before the commencement of the leave of absence and for such additional period as may be required to complete the training specified in such orders. The duration of active duty for training covered under this section shall not exceed twelve months within any three calendar years if initiated voluntarily by an individual Guard or Reserve member and determined to be necessary by

the Secretary of the Military Department concerned. However, nothing within this section shall be construed to preclude voluntary participation in active duty for training in excess of twelve months if such participation has been approved by an employer."

We believe this substitute language will allow employers to know better what are the limits of the period of time involved for additional active duty for training while at the same time permitting the needed degree of flexibility for the many types of training that require the protection afforded by chapter 43 of title 38. The substitute language also would permit an extension of the stated period in order to permit completion of a training program that may extend beyond what initially was estimated. By defining reemployment protection to encompass 12 months within any 3 calendar years, the substitute language would provide a greater degree of protection to the employer and thereby reduce the likelihood that Guard or Reserve membership might be prejudicial to an employee.

Also, the language that provides reemployment protection to an employee who engages in active duty for training in excess of 12 calendar months with his employer's approval precludes the employer from citing this statute as the basis for denying the individual reemployment at the end of a mutually agreed upon leave of absence in excess of 12 months.

In conclusion, Mr. Chairman, I thank you and the Members of the Committee for your assistance and your interest in the Guard and Reserve Forces of our nation. It is my belief that your support of a strong Guard and Reserve for our Regular forces has been a key factor in maintaining an effective deterrent posture and combat ready Total Force should we be required to employ it in battle. And, I ask for your continued support.

Peter B. Currier
DEPUTY NATIONAL SERVICE
AND LEGISLATIVE DIRECTOR

AMVETS

American Veterans of World War II Korea-Vietnam
National Headquarters
4647 Forbes Boulevard, Lanham, Maryland 20706 (301) 459-9600

June 28, 1982

The Honorable Bob Edgar, Chairman
Subcommittee on Education, Training,
and Employment
Veterans Affairs Committee
334 Cannon House Office Building
Washington, D. C. 20515

Dear Mr. Edgar:

Enclosed please find response to the questions to our testimony of June 22, 1982. Let me reiterate that AMVETS deeply appreciates the opportunity to comment on H. R. 6440 and will look forward to working with you in the future in moving forward on matters concerning veterans employment and training.

Unfortunately, we were unable to obtain a copy of the testimony of William C. Plowden, Jr., Assistant Secretary of Labor of Veterans Employment, in sufficient time so that we might comment on this testimony. We hope that our stated support of H. R. 6440 will serve constructively in the absence of any comments regarding Mr. Plowden's testimony and would again offer our assistance in support of this bill.

Sincerely,

Peter B. Currier
Deputy National Service
and Legislative Director

Enclosure

PBC/jd

Response to Questions
from the
SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
OF THE
HOUSE VETERANS AFFAIRS COMMITTEE
Regarding Testimony By
PETER B. CURRIER
Deputy National Service and Legislative Director
on H.R. 6440

June 22, 1982

1. It has been stated that the Veterans Employment Assistance Program established by H. R. 6440 is a duplication of existing services. I believe that it is an innovative tool which the Assistant Secretary for Veterans Employment will be able to utilize to assist the 750,000 unemployed Vietnam Era veterans. Do you see the grant program as being unnecessary or duplicative?

Answer:

Mr. Chairman, in response to this question let me first emphasize that I, too, believe that H. R. 6440 is an innovative tool to add to the means at the disposal of the Assistant Secretary for Veterans Employment to assist veterans back to work. With this in mind and considerate of the fact that there are presently mechanisms for the procurement of grants, I would say that this is rather a complimenting type program which will offer a viable alternative to community based organizations for the purpose of setting up local employment programs. I suppose to some measure it is duplicative, but I would not say that it is in any way, shape, or form unnecessary for as previously stated, at present there are no viable programs to assist veterans back into employment. Therefore, I would concur with those others

who have testified in favor of this bill that it is necessary and timely.

2. It is not clear that you support Section 2003(B) of the bill which proposes to expand the eligibility for appointment to the position of State Director of Veterans Employment or Assistant State Director to a person who has served in one of these positions for at least two years. Currently these positions are limited to eligible veterans who have been a resident for at least two years of the state in which they will serve. Does AMVETS support the provision to expand the eligibility for these positions?

Answer:

My answer to this, Mr. Chairman, is that, yes, AMVETS does support the provision to expand the eligibility for these positions. However, we would hope that the Assistant Secretary for Veterans Employment will, in exercising his options, endeavor to assure that those persons appointed to these positions are qualified and the type of individuals who will assume a functional leadership role in the oversight of veterans employment programs within the state. We do feel, Mr. Chairman, that a residency requirement to some measure will ensure that the applicant will be aware of programs and needs of the veterans in a particular state, however, we also recognize the fact that qualified applicants may be restricted by such a residency requirement. With this in mind, we would express favor to the expansion of the provision for eligibility for appointment to the position of State Director for Veterans

Employment and would hope that all choices exercising this option would be made judiciously.

DAV

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

June 24, 1982

Honorable Robert Edgar, Chairman
Subcommittee on Education, Employment
and Training of the
House Veterans Affairs Committee
335 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Edgar:

During the course of the hearing conducted on June 22, 1982, you requested that I respond to two questions for the record. I am taking this opportunity to respond to the questions as follows.

(Q) In your estimation, does H.R. 6440 adequately address the problem of accountability and compliance in federal veterans' employment assistance programs?

(A) We believe that the language contained in H.R. 6440 provides for necessary accountability, but perhaps fails to adequately address the controls needed by the Assistant Secretary to assure compliance. Specifically, we believe that the Assistant Secretary for Veterans' Employment should administer the funds in all veterans' employment and training programs, be it for the Disabled Veterans Outreach Program, local VERs, contracts, grants or other funding agreements. Not only should the ASVE have administrative authority over the money, that authority should include a provision to withhold monies and require the payback of monies expended if they were spent for reasons other than veterans' programs as intended. There has never been any accountability for these monies and we believe tight fiscal control is necessary.

(Q) ICESA has recommended substitute language to Subsection (d)(3) of Section 2009 of H.R. 6440. You asked us if we agree with ICESA's substitute language.

(A) We have no opposition to this and can support the change.

If you have any other questions regarding the DAV's position on H.R. 6440, please do not hesitate to contact me.

Sincerely,

Ronald W. Drach

RONALD W. DRACH
National Employment Director

RWD:ar

QUESTIONS FOR MAURICE LOIR, MILITARY ORDER OF THE PURPLE HEART

Question 1. Mr. Loir, I appreciate your comments regarding the proposed change in the residence requirement for State Veterans Employment Directors and Assistant Directors. There are those who feel, however, that it is imperative that a State Director have a close association with the state in order to be effective. How would you respond to that?

Answer. It is obvious that the only assistants who will be eligible to become director in another state will be senior members of the VES staff. They will be experienced professionals. As such, they will know what agencies, organizations and individuals they must deal with. They certainly can be expected to make the necessary contacts. Close association should easily follow. Under the present rule, it is possible for an inexperienced person to become a director. Regardless of the residency, which person will be more effective? The answer is obvious.

Question 2. I share your concern regarding performance for veterans in local Job Service Offices. An internal Department of Labor study done in 1979 concluded that a strong commitment to veterans on the part of state and local employment service managers is probably the single most important factor contributing to effective services to veterans. That commitment, of course, is something we can't legislate. Are there, though, future legislative changes that could be made to enhance that commitment on the local level?

Answer. The State Job Service offices are mandated to furnish a service. The type of service and the manner in which it is to be provided, is clearly defined in the law. One would assume that when an agency fails to fulfill that mandate, corrective action will follow. Very simply, this is all we ask. Yet we often find that when the mandate is deliberately and consistently violated, it is almost impossible to obtain corrective action. We cannot legislate compliance and cooperation.

There is one possible solution to this dilemma however. It lies within the funding procedure. If funding were to be withheld, compliance will surely follow. Perhaps this authority should be spelled out more clearly. Allowances for suspension of funds to enforce compliance might be the answer to the problem.

Question 3. You state the VRA listings should be made available for State Job Service Offices. The VRA is a program which provides that a government agency can hire a Vietnam or disabled veteran non-competitively up to a GS–7 level. Under the program the Federal Government hired 8,700 veterans during the period of October 1980, through March 1981, the latest reporting period. While jobs are not characterized as VRA positions, Section 13 of H.R. 6440 does require the executive branch to list all employment openings with the appropriate employment service office. Wouldn't this satisfy your suggestion to list all VRA listings?

Answer. My answer here is a simple "yes". I would hope that there would not be any compliance problem.

I might add a point on the VES residency rule. I believe that the rule does not state when the residency must exist. Is it immediately prior to appointment, or is it any time prior? This can make a difference.

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